



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

January 18, 2019

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, 2017, through August 31, 2018, the State Auditor's Office received and approved 141 delegation of authority requests from 69 state entities.

Some delegations of authority covered more than one project, the majority of which were for financial audits. The 141 delegation of authority requests included 172 projects with an estimated total cost of approximately \$33.5 million, as reported by the state entities in their delegation of authority requests.

Auditors classified the projects into the following three categories:

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

Internal audit services: Contracted internal audit services were associated with state entities that did not have an internal audit department but were required to have an internal audit function under Texas Government Code, Section 2102.004 (see text box for more information about the requirement to have an internal audit function). In those instances, a state entity requested the authority to outsource the internal audit function. This category also included 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 (85th 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. 19-022

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 172 projects included in the 141 delegation of authority requests reviewed, 81 (47.1 percent) were for financial audits, 62 (36.0 percent) were for other services, and 29 (16.9 percent) were for internal audit services.

In addition, 14 state entities accounted for 103 (59.9 percent) of the 172 requested projects. Table 1 lists those 14 state entities.

Objectives, 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, 2017, through August 31, 2018. 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)
- Kayla Barshop
- Ann E. Karnes, CPA (Quality Control Reviewer)
- Jennifer Wiederhold, CFE, CGAP (Audit Manager)

Table 1

Fourteen State Entities With the Most Projects Requested Under Delegation of Authority Requests From September 1, 2017, through August 31, 2018	
State Entity	Number of Projects
The University of Texas System	22
Health and Human Services Commission	17
Texas Tech University System	15
University of Houston	10
General Land Office	9
The University of Texas at Austin	5
Texas Lottery Commission	4
Stephen F. Austin State University	3
University of Houston System	3
Texas Board of Nursing	3
Texas Tech University	3
Texas Southern University	3
Prairie View A&M University	3
Texas A&M University - Commerce	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 2018

Table 2 lists the approved delegations of authority that 69 entities requested between September 1, 2017, and August 31, 2018. 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 2018			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Article I - General Government			
301 - Office of the Governor			
An Audit of the Texas Leverage Fund's Financial Statements for Fiscal Year 2017	Financial Audits	Crowe LLP	\$25,000
Office of the Governor - Total			\$25,000
304 - Office of the Comptroller of Public Accounts			
Readiness Assessment for a Statement on Standards for Attestation Engagements Audit of the Centralized Accounting and Payroll/Personnel System	Other Services	KPMG LLP	\$200,000
Office of the Comptroller of Public Accounts - Total			\$200,000
313 - Department of Information Resources			
Audit of Data Center Services Compliance with Texas Administrative Code (TAC)	Internal Audit Services	Crowe LLP	\$150,000
Texas NICUSA, LCC Financial Statement Audit for the Year Ended December 31, 2017	Financial Audits	McConnell & Jones LLP	98,000
Department of Information Resources - Total			\$248,000
403 - Veterans Commission			
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	McConnell & Jones LLP	\$54,984
Internal Audit Services for Fiscal Year 2019	Internal Audit Services	McConnell & Jones LLP	45,278
Veterans Commission - Total			\$100,262
479 - State Office of Risk Management			
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	McConnell & Jones LLP	\$40,000

Delegations of Authority Requested in Fiscal Year 2018

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Internal Audit Services for Fiscal Year 2019	Internal Audit Services	McConnell & Jones LLP	39,370
State Office of Risk Management - Total			\$79,370
542 - Cancer Prevention and Research Institute of Texas			
Internal Audit Services for Fiscal Year 2019	Internal Audit Services	Weaver and Tidwell, LLP	\$171,000
Audit of Financial Statements for the Year Ended August 31, 2018	Financial Audits	McConnell & Jones LLP	40,000
Cancer Prevention and Research Institute of Texas - Total			\$211,000
808 - Historical Commission			
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	McConnell & Jones LLP	\$102,992
Historical Commission - Total			\$102,992
Article I - Total			\$966,624
Article II - Health and Human Services			
529 - Health and Human Services Commission			
Retrospective Cost Settlement Audit (NorthgateArinso, Inc.) for the Periods Covering May 1, 2015, through April 20, 2018 ^a	Other Services	DK Partners, PC	\$170,000
Recovery Audit of Payments Made by the State of Texas to Medicaid-enrolled Providers for Fiscal Year 2018	Other Services	Health Management Systems, Inc.	0 ^b
Retrospective Cost Settlement Audits of the Eligibility Support Services, Children's Health Insurance Program (CHIP), and Enrollment Broker Program ^a	Other Services	DK Partners, PC	809,912
Performance Audits of Managed Care Organizations ^a	Other Services	DK Partners, PC Myers and Stauffer LC	1,783,138
Audit Services Related to the Document Processing Services Performed by Image API for Eligibility Support Services, CHIP, and Enrollment Broker Program	Other Services	Myers and Stauffer LC	184,100
An Audit of the Data Broker Services Provided Between August 31, 2012, through March 31, 2017	Other Services	Eide Bailly, LLP	315,000
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
Audit of Medicaid Managed Care Capitation Rates	Other Services	Contract Pending ^c	250,000
Agreed-upon Procedures on Medicaid and CHIP Managed Care Financial Statistical Reports	Other Services	DK Partners, PC Myers and Stauffer LC	1,200,000
Audit of Hospital Cost Reports on Behalf of the Health and Human Services Commission	Other Services	Accenture LLP	300,000
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 2018	Other Services	Contract Pending ^c	150,000
Agreed-upon Procedures on Electronic Health Records Incentive Payments	Other Services	Contract Pending ^c	307,641

Delegations of Authority Requested in Fiscal Year 2018

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Retrospective Cost Settlement Audit (NorthgateArinso, Inc.) for the Periods Covering May 1, 2015, through April 20, 2018 ^a	Other Services	DK Partners, PC	199,878
Recovery Audit of Payments Made by the State of Texas to Medicaid-enrolled Providers for Fiscal Year 2019	Other Services	Contract Pending ^c	1 ^b
Retrospective Cost Settlement Audits of the Eligibility Support Services, Children's Health Insurance Program (CHIP), and Enrollment Broker Program ^b	Other Services	Contract Pending ^c	809,912
Performance Audits of Managed Care Organizations ^a	Other Services	DK Partners, PC	1,783,138
Health and Human Services Commission - Total			\$13,059,336
Article II - Total			\$13,059,336
Article III - Education			
323 - Teacher Retirement System			
Audit of Health Plan Claims for TRS-Care and TRS-Active Care During the 2016-2017 Plan Years	Other Services	IBM Watson (Truven Health Analytics, Inc.)	\$229,000
Audit of the Teacher Retirement Investment Company of Texas, Ltd. Financial Statements for the Year Ended August 31, 2018	Financial Audits	Grant Thornton LLP	53,030
Teacher Retirement System - Total			\$282,030
506 - The University of Texas M.D. Anderson Cancer Center			
Internal Audit Services Related to Information Technology	Internal Audit Services	PricewaterhouseCoopers LLP	\$575,000
The University of Texas M.D. Anderson Cancer Center - Total			\$575,000
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, 2017	Financial Audits	Ingram, Wallis & Co., P.C.	\$7,000
Texas A&M AgriLife Extension Service - Total			\$7,000
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, 2017	Financial Audits	Ingram, Wallis & Co., P.C.	\$6,300
Texas A&M AgriLife Research - Total			\$6,300
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, 2017	Financial Audits	Ingram, Wallis & Co., P.C.	\$6,000
Texas A&M Engineering Experiment Station - Total			\$6,000
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, 2017	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 the National Collegiate Athletic Association for the Year Ended August 31, 2017	Other Services	PricewaterhouseCoopers LLP	\$35,000

Delegations of Authority Requested in Fiscal Year 2018

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Audit of KPVM-FM Radio Station Financial Statements for the Year Ended August 31, 2017	Financial Audits	Ingram, Wallis & Co., P.C.	7,500
Agreed-upon Procedures Related to the Liquidation of the Federal Perkins Loan Program	Other Services	BKD, LLP	5,000
Prairie View A&M University - Total			\$47,500
717 - Texas Southern University			
Audit of KTSU-FM Radio Station Financial Statements for the Year Ended August 31, 2017	Financial Audits	J. Walker & Company, APC	\$11,500
Audit of Financial Statements for the Year Ended August 31, 2018	Financial Audits	Whitley Penn LLP	79,170
Audit of the Earl Carl Institute Financial Statements for the Year Ended December 31, 2017	Financial Audits	John F. Coggin, CPA PLLC	4,150
Texas Southern University - Total			\$94,820
719 - Texas State Technical College System			
Audit of Financial Statements for the Year Ended August 31, 2018	Financial Audits	BKD, LLP	\$75,000
Texas State Technical College System - Total			\$75,000
720 - The University of Texas System			
Contract Compliance Review and Accounts Payable Recovery Services	Other Services	BSI Healthcare Audit Services LLC	\$500,000
Agreed-upon Procedures of the University of Texas/Texas A&M Investment Management Company Performance Incentive Plan for Performance Period Ended August 31, 2017	Other Services	Deloitte & Touche LLP	12,500
Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2017 at the University of Texas at Austin. That delegation authority request also included:	Financial Audits	Deloitte & Touche LLP	437,138
<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, 2017 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, 2017 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, 2017 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, 2017 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, 2017 at the University of Texas Southwestern Medical Center ▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2017 at the University of Texas Health Science Center at Tyler 	Financial Audits		
Audit of the Federal Student Financial Aid Program at the University of Texas at Tyler for the Year Ended August 31, 2017	Financial Audits	Deloitte & Touche LLP	58,800

Delegations of Authority Requested in Fiscal Year 2018

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Audit of the University of Texas System Consolidated Financial Statements for the Year Ended August 31, 2018. That delegation request also included:	Financial Audits	Deloitte & Touche LLP	3,400,000
▪ Audit of the University of Texas M.D. Anderson Cancer Center Financial Statements for the Year Ended August 31, 2018	Financial Audits		
▪ Audit of the University of Texas Medical Branch at Galveston Financial Statements for the Year Ended August 31, 2018	Financial Audits		
▪ Audit of the University of Texas Southwestern Medical Center Financial Statements for the Year Ended August 31, 2018	Financial Audits		
▪ Audit of the University of Texas at Austin Financial Statements for the Year Ended August 31, 2018	Financial Audits		
▪ 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, 2018	Financial Audits		
▪ 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, 2018	Financial Audits		
▪ 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, 2018	Financial Audits		
▪ 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, 2018	Financial Audits		
▪ 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, 2018	Financial Audits		
Audit of the Federal Student Financial Aid Program at the University of Texas Southwestern Medical Center for the Year Ended August 31, 2018	Financial Audits	Deloitte & Touche LLP	50,000
Audit of the University of Texas/Texas A&M Investment Management Company Financial Statements for the Year Ended August 31, 2018	Financial Audits	Deloitte & Touche LLP	43,500
The University of Texas System - Total			\$4,501,938
721 - The University of Texas at Austin			
Audit of the University Charter School Financial Statements for the Year Ended August 31, 2017	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, 2017	Other Services	Maxwell Locke & Ritter LLP	39,000
Audit of the University of Texas Elementary School Financial Statements for the Year Ended August 31, 2018	Financial Audits	Belt Harris Pechacek, LLLP	15,000
Audit of the University Charter School Financial Statements for the Year Ended August 31, 2018	Financial Audits	West, Davis & Company, LLP	15,000
Audit of the University Interscholastic League Financial Statements for the Years Ended August 31, 2017 and August 31, 2018	Financial Audits	West, Davis & Company, LLP	19,500
The University of Texas at Austin - Total			\$103,500
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 2018

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
729 - The University of Texas Southwestern Medical Center			
Assessment of the University of Texas Southwestern Medical Center's Payroll System	Other Services	KPMG LLP	\$245,220
The University of Texas Southwestern Medical Center - Total			\$245,220
730 - University of Houston			
Audit of Houston Public Media Financial Statements for the Year Ended August 31, 2017	Financial Audits	BKD, LLP	\$136,000
Audit of the University of Houston Charter School Financial Statements for the Year Ended August 31, 2017	Financial Audits	Belt Harris Pechacek, LLLP	41,000
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, 2017	Other Services	Belt Harris Pechacek, LLLP	38,000
Agreed-upon Procedures on Cancer Prevention and Research Institute of Texas Grants for the Year Ended August 31, 2017	Other Services	BKD, LLP	46,000
Review of the University of Houston 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	45,000
Audit of the University of Houston Law Foundation Financial Statements for the Year Ended August 31, 2017	Financial Audits	Blazek & Vetterling	2,500
Agreed-upon Procedures on Cancer Prevention and Research Institute of Texas Grants for the Year Ended August 31, 2018	Other Services	BKD, LLP	50,000
Audit of the University of Houston Charter School Financial Statements for the Year Ended August 31, 2018	Financial Audits	Belt Harris Pechacek, LLLP	40,000
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, 2018	Other Services	Belt Harris Pechacek, LLLP	40,000
Audit of Houston Public Media Financial Statements for the Year Ended August 31, 2018	Financial Audits	BKD, LLP	140,000
University of Houston - Total			\$578,500
733 - Texas Tech University			
Agreed-upon Procedures on Texas Tech University's Athletic Program in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2017	Other Services	Grant Thornton LLP	\$20,400
Audit of Texas Tech Public Media Financial Statements for the Year Ended August 31, 2017	Financial Audits	Davis Kinard & Co, PC	29,000
Agreed-upon Procedures Related to the Liquidation of the Federal Perkins Loan Program	Other Services	Belt Harris Pechacek, LLLP	25,000
Texas Tech University - Total			\$74,400
734 - Lamar University			
Audit of KVLU-FM Radio Station Financial Statements for the Year Ended August 31, 2018. 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, 2018 	Other Services	Weaver and Tidwell, LLP	
Lamar University - Total			\$32,000

Delegations of Authority Requested in Fiscal Year 2018

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
735 - Midwestern State University			
Audit of Website Accessibility for Midwestern State University	Other Services	SitImprove, Inc.	\$5,395
Internal Audit Services Related to Construction	Internal Audit Services	CBIZ Risk & Advisory Services, LLC	36,000
Midwestern State University - Total			\$41,395
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, 2017	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, 2017	Financial Audits	Belt Harris Pechacek, LLLP	\$14,000
Audit of the University of Texas of the Permian Basin STEM Academy Financial Statements for the Year Ended August 31, 2018	Financial Audits	Belt Harris Pechacek, LLLP	15,840
The University of Texas of the Permian Basin - Total			\$29,840
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, 2017	Other Services	Weaver and Tidwell, LLP	\$8,900
The University of Texas at San Antonio - Total			\$8,900
744 - The University of Texas Health Science Center at Houston			
Audit of UT Physicians' Financial Statements for the Year Ended August 31, 2018	Financial Audits	Blazek & Vetterling	\$48,500
The University of Texas Health Science Center at Houston - Total			\$48,500
746 - The University of Texas Rio Grande Valley			
Agreed-upon Procedures Related to Compliance with Federal Requirements for Student Financial Assistance	Other Services	Burton McCumber & Longoria, LLP	\$38,000
The University of Texas Rio Grande Valley - Total			\$38,000
749 - Texas A&M University - San Antonio			
Review of Texas A&M University - San Antonio Financial Statements for the Year Ended August 31, 2018, as Required by the Southern Association of Colleges and Schools Commission on Colleges	Other Services	Garza/Gonzalez & Associates	\$10,000
Texas A&M University - San Antonio - Total			\$10,000
750 - The University of Texas at Tyler			
Audit of the University of Texas at Tyler Innovation Academy Financial Statements for the Year Ended August 31, 2017	Financial Audits	Belt Harris Pechacek, LLLP	\$12,000
Audit of the University of Texas at Tyler Innovation Academy Financial Statements for the Year Ended August 31, 2018	Financial Audits	Belt Harris Pechacek, LLLP	16,110
The University of Texas at Tyler - Total			\$28,110
751 - Texas A&M University - Commerce			
Audit of KETR-FM Radio Station Financial Statements for the Year Ended August 31, 2017	Financial Audits	Conway Company CPAs, P.C.	\$11,000
Audit of Texas A&M University - Commerce Foundation Financial Statements for the Year Ended August 31, 2017	Financial Audits	BKD, LLP	11,000

Delegations of Authority Requested in Fiscal Year 2018

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Audit of the Alumni Association Financial Statements for the Year Ended August 31, 2017	Financial Audits	BKD, LLP	8,000
Texas A&M University - Commerce - Total			\$30,000
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, 2017	Other Services	Merki & Associates, P.C.	\$4,500
University of North Texas - Total			\$4,500
753 - Sam Houston State University			
Audit of the Sam Houston State University Charter School Financial Statements for the Year Ended August 31, 2018	Financial Audits	Belt Harris Pechacek, LLLP	\$46,439
Review of Sam Houston State University Financial Statements for Years Ended August 31, 2017 and August 31, 2018, as Required by the Southern Association of Colleges and Schools Commission on Colleges	Other Services	Belt Harris Pechacek, LLLP	81,000
Sam Houston State University - Total			\$127,439
754 - Texas State University			
Review of Texas State University Financial Statements for the Year Ended August 31, 2018, as Required by the Southern Association of Colleges and Schools Commission on Colleges	Other Services	Montemayor Britton Bender PC	\$100,000
Texas State University - Total			\$100,000
755 - Stephen F. Austin State University			
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, 2018	Other Services	Goff & Herrington, P.C.	\$5,665
Audit of the Stephen F. Austin State University Charter School Financial Statements for the Year Ended August 31, 2018	Financial Audits	Goff & Herrington, P.C.	8,240
Internal Audit Services Related to Information Technology for Fiscal Year 2019	Internal Audit Services	Myers and Stauffer LC	80,000
Stephen F. Austin State University - Total			\$93,905
758 - Texas State University System			
Internal Audit Services	Internal Audit Services	Deloitte & Touche LLP	\$50,000
Construction Audit Services	Other Services	R.L. Townsend & Associates, LLC	70,000
Texas State University System - Total			\$120,000
761 - Texas A&M International University			
Agreed-upon Procedures on Texas A&M International 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	\$14,000
Texas A&M International University - Total			\$14,000
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, 2017	Financial Audits	BKD, LLP	\$18,500

Delegations of Authority Requested in Fiscal Year 2018

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Audit of Compliance with Title IV Program Processes for Fiscal Year 2017	Other Services	Weaver and Tidwell, LLP	24,000
University of North Texas Health Science Center at Fort Worth - Total			\$42,500
768 - Texas Tech University System			
Audit of Texas Tech Foundation Inc. Financial Statements for the Year Ended August 31, 2017	Financial Audits	Davis Kinard & Co, PC	\$32,075
Agreed-upon Procedures on Expenses of the Board of Regents, Chancellor, and Presidents for the Year Ended August 31, 2017	Other Services	Bolinger, Segars, Gilbert & Moss, L.L.P.	9,000
Internal Audit Services Related to Construction ^a	Internal Audit Services	CBIZ Risk & Advisory Services, LLC R.L. Townsend & Associates, LLC RSM US LLP	150,000
Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2017	Financial Audits	Bolinger, Segars, Gilbert & Moss, L.L.P.	24,000
Review Related to Texas Tech University System's Contract Selection Processes	Other Services	Baker Tilly Virchow Krause, LLP	25,000
Agreed-upon Procedures on Expenses of the Board of Regents, Chancellor, and Presidents for the Year Ended August 31, 2018. That delegation authority request also included:	Other Services	Baker Tilly Virchow Krause, LLP Belt Harris Pechacek, LLLP Bolinger, Segars, Gilbert & Moss, L.L.P. Grant Thornton LLP Oliver, Rainey & Wojtek LLP	625,000
<ul style="list-style-type: none"> ▪ Audit of Texas Tech Foundation Inc. Financial Statements for the Year Ended August 31, 2018 ▪ Audit of the Schedule of Expenditures of Cancer Prevention and Research Institute of Texas Awards for the Year Ended August 31, 2018 ▪ Audit of Texas Tech Public Media Financial Statements for the Year Ended August 31, 2018 ▪ Agreed-upon Procedures on Texas Tech University's Athletic Program in Accordance with the National Collegiate Athletic Association for the Year Ended August 31, 2018 ▪ Review of Texas Tech University Financial Statements for the Year Ended August 31, 2019, as Required by the Southern Association of Colleges and Schools Commission on Colleges ▪ Review of Texas Tech University Health Sciences Center Financial Statements for the Year Ended August 31, 2018, as Required by the Southern Association of Colleges and Schools Commission on Colleges ▪ Audit of Angelo State University Foundation, Inc. Financial Statements for the Year Ended August 31, 2018 ▪ Audit of the Carr Foundation Financial Statements for the Year Ended August 31, 2018 	<ul style="list-style-type: none"> Financial Audits Financial Audits Financial Audits Other Services Other Services Other Services Financial Audits Financial Audits 		

Delegations of Authority Requested in Fiscal Year 2018

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
Internal Audit Services Related to Construction ^a	Internal Audit Services	CBIZ Risk & Advisory Services, LLC R.L. Townsend & Associates, LLC RSM US LLP	150,000
Texas Tech University System - Total			\$1,015,075
769 - University of North Texas System			
Audit of the University of North Texas System Consolidated Financial Statements for the Year Ended August 31, 2017	Financial Audits	Grant Thornton LLP	\$465,000
Internal Audit Services Related to Higher Education Institution Benefits Proportionality Requirements	Internal Audit Services	PricewaterhouseCoopers LLP	12,000
University of North Texas System - Total			\$477,000
770 - Texas A&M University - Central Texas			
Review of Texas A&M University - Central Texas Financial Statements for the Year Ended August 31, 2017, as Required by the Southern Association of Colleges and Schools Commission on Colleges	Other Services	Lott, Vernon & Company, PC	\$10,000
Texas A&M University - Central Texas - Total			\$10,000
772 - School for the Deaf			
Internal Audit Services for Fiscal Year 2019	Internal Audit Services	Garza/Gonzalez & Associates	\$38,100
School for the Deaf - Total			\$38,100
773 - University of North Texas at Dallas			
Review of the University of North 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	Grant Thornton LLP	\$20,000
University of North Texas at Dallas - Total			\$20,000
774 - Texas Tech University Health Sciences Center at El Paso			
Review of Texas Tech University Health Sciences Center at El Paso 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	\$89,500
Texas Tech University Health Sciences Center at El Paso - Total			\$89,500
781 - Higher Education Coordinating Board			
Audit of Financial Statements for the Year Ended August 31, 2018	Financial Audits	KPMG LLP	\$171,600
Higher Education Coordinating Board - Total			\$171,600
783 - University of Houston System			
Audit of the University of Houston System Endowment Fund Financial Statements for the Year Ended August 31, 2017	Financial Audits	BKD, LLP	\$72,000
Information Technology Auditing Services for Fiscal Year 2018	Internal Audit Services	Schneider Downs & Co., Inc.	100,000
Audit of the University of Houston System Endowment Fund Financial Statements for the Year Ended August 31, 2018	Financial Audits	BKD, LLP	80,000
University of Houston System - Total			\$252,000

Delegations of Authority Requested in Fiscal Year 2018			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
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, 2017	Financial Audits	CliftonLarsonAllen LLP	\$8,800
The University of Texas Health Science Center at Tyler - Total			\$8,800
Article III - Total			\$9,480,872
Article V - Public Safety and Criminal Justice			
405 - Department of Public Safety			
Audit of Federal Emergency Management Public Assistance Grants	Other Services	CohnReznick, LLP	\$6,100,000 ^d
Department of Public Safety - Total			\$6,100,000
458 - Alcoholic Beverage Commission			
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	Sanderson & Scheffer, PLLC	\$50,000
Alcoholic Beverage Commission - Total			\$50,000
696 - Department of Criminal Justice			
Audit of Compliance with the Prison Rape Elimination Act	Other Services	PREA Auditors of America, LLC	\$174,600
Department of Criminal Justice - Total			\$174,600
Article V - Total			\$6,324,600
Article VI - Natural Resources			
305 - General Land Office			
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	Baker Tilly Virchow Krause, LLP Deloitte & Touche LLP Ernst & Young LLP Monbo Group International, LTD Postlethwaite & Netterville, APAC	\$500,000
Audit of the Financial Statements for Galveston Preserve at West Beach, LTD as of December 31, 2016. This delegation of authority request also included:	Financial Audits	Weaver and Tidwell, LLP	114,000
▪ Audit of the Financial Statements for Galveston Preserve at West Beach, LTD as of December 31, 2017	Financial Audits		
▪ Audit of the Financial Statements for Grand Parkway 1358, L.P. as of December 31, 2016	Financial Audits		
▪ Audit of the Financial Statements for Grand Parkway 1358, L.P. as of December 31, 2017	Financial Audits		
▪ Audit of the Financial Statements for Imperial Johnson, LLC as of December 31, 2016	Financial Audits		
▪ Audit of the Financial Statements for Imperial Johnson, LLC as of December 31, 2017	Financial Audits		
▪ Audit of the Financial Statements for RS New Braunfels, LTD for the Fiscal Year 2016	Financial Audits		

Delegations of Authority Requested in Fiscal Year 2018			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
<ul style="list-style-type: none"> Audit of the Financial Statements for RS New Braunfels, LTD for the Fiscal Year 2017 	Financial Audits		
General Land Office - Total			\$614,000
592 - Soil and Water Conservation Board			
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	Jansen & Gregorczyk Certified Public Accountants	\$27,500
Soil and Water Conservation Board - Total			\$27,500
802 - Parks and Wildlife Department			
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	Financial Audits	McConnell & Jones LLP	\$0 ^e
Parks and Wildlife Department - Total			\$0
Article VI - Total			\$641,500
Article VII - Business and Economic Development			
362 - Texas Lottery Commission			
Comprehensive Study and Evaluation of Lottery Security for Fiscal Year 2017 and Fiscal Year 2018	Other Services	Berry Dunn McNeil & Parker, LLC	\$200,000
Agreed-upon Procedures on Lottery Drawings for Fiscal Year 2019	Other Services	Weaver and Tidwell, LLP	1,145,910
Audit of Financial Statements for the Year Ended August 31, 2018	Financial Audits	Weaver and Tidwell, LLP	71,976
Internal Audit Services for Fiscal Year 2019	Internal Audit Services	McConnell & Jones LLP	300,000
Texas Lottery Commission - Total			\$1,717,886
601 - Department of Transportation			
Audit of Financial Statements for the Year Ended August 31, 2018, 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	Contract Pending ^c	\$50,000
Department of Motor Vehicles - Total			\$50,000
Article VII - Total			\$2,317,886
Article VIII - Regulatory			
312 - State Securities Board			
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	Garza/Gonzalez & Associates	\$25,000
State Securities Board - Total			\$25,000

Delegations of Authority Requested in Fiscal Year 2018			
Project Title	Project Type	Contractor Name	State Entity Estimated Cost
456 - State Board of Plumbing Examiners			
Internal Audit Services - Financial Audit for the Fiscal Year Ended August 31, 2016	Internal Audit Services	Monday Rufus & Co., P.C.	\$16,600
State Board of Plumbing Examiners - Total			\$16,600
476 - Racing Commission			
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	Monday Rufus & Co., P.C.	\$15,000
Racing Commission - Total			\$15,000
503 - Texas Medical Board			
Internal Audit Services for Fiscal Year 2019	Internal Audit Services	Garza/Gonzalez & Associates	\$26,300
Texas Medical Board - Total			\$26,300
507 - Board of Nursing			
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	E.J. Stepp, CPA	\$25,000
An Audit of the Texas Peer Assistance Program for Nurses	Other Services	Citizen Advocacy Center	25,000
Internal Audit Services for Fiscal Year 2019	Internal Audit Services	E.J. Stepp, CPA	25,000
Board of Nursing - Total			\$75,000
515 - Board of Pharmacy			
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	Garza/Gonzalez & Associates	\$25,000
Board of Pharmacy - Total			\$25,000
Article VIII - Total			\$182,900
Other State Entities ^f			
014 - Texas A&M Research Foundation			
Audit of Financial Statements for the Year Ended August 31, 2018	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, 2018	Financial Audits	RSM US LLP	\$58,600
Office of the Comptroller of Public Accounts - Prepaid Higher Education Tuition Board - Total			\$58,600
329 - Real Estate Commission			
Internal Audit Services for Fiscal Year 2018	Internal Audit Services	McConnell & Jones LLP	\$27,494
Internal Audit Services for Fiscal Year 2019	Internal Audit Services	McConnell & Jones LLP	27,494
Real Estate Commission - Total			\$54,988

Delegations of Authority Requested in Fiscal Year 2018

Project Title	Project Type	Contractor Name	State Entity Estimated Cost
449 - Finance Commission of Texas ^g			
Internal Audit Services for Fiscal Year 2019	Internal Audit Services	McConnell & Jones LLP	\$64,930
Finance Commission of Texas - Total			\$64,930
930 - Treasury Safekeeping Trust Company			
Audit of Financial Statements for the Year Ended August 31, 2018, 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, 2018, 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			\$483,518
Delegations of Authority Estimated Cost for Fiscal Year 2018 - Total			\$33,457,236

^a 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.

^b The 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.

^c As of December 20, 2018, the entity self-reported that a contract had not been executed.

^d The Department of Public Safety provided an updated estimated cost to reflect an estimated cost for Fiscal Year 2018. The original delegation request included an estimated cost that covered the base contract period as well as three optional renewal periods between March 1, 2018 and August 31, 2022.

^e This audit delegation request was submitted to obtain an extension of time to complete the audit and did not have an estimated cost associated with the extension. The Parks and Wildlife Department 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."**

^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.