

## **C.1.2 (Policy) Audit Services**

Responsible Department: Vice Chancellor for Finance and Administration

Board Adoption: 8-18-09

Last Board Action: 8-18-09

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### **External Audits**

The Board shall select an auditing firm for a designated period through a Request for Proposal (RFP) or an engagement letter that outlines the Board's expectations for the annual audit and ensures that the audit firm follows the guidelines and standards of the American Institute of Certified Public Accountants (AICPA), the Governmental Accounting Standards Board (GASB), and the Government Accountability Office (GAO).

The annual audit of all funds shall be made to determine:

1. The adequacy of the Board's fiscal policies.
2. The execution of those fiscal policies.
3. A check and review of the College District's fiscal actions for the preceding year.

A comprehensive audit report of all funds and accounts of the College District including letters on the conduct of the audit and the College District's internal controls shall be submitted annually to the Board. A copy of the independent audit shall become a part of the Board's official minutes and shall be available to the public for inspection during regular office hours.

Periodically, the Chancellor shall submit reports to the Board evaluating the work of the College District's external auditor.

An annual audit report for the fiscal year ending August 31 shall be filed with the Coordinating Board on or prior to January 1 following the close of the fiscal year for which the audit was made. Three copies of the audit shall be submitted to the Coordinating Board and required copies to other governmental agencies.

### **Internal Audits**

Internal auditing is an independent appraisal activity established within the organization to examine and evaluate its activities.

Internal auditors shall have full and complete access to the College District's records (manual and electronic), physical properties, and personnel relevant to a review. Documents and information given to internal auditors during a review shall be handled in the same prudent manner as by those employees normally accountable for them.

Internal auditors shall have no direct responsibility or any authority over any of the activities or operations that they review.

Recommendations on standards of control to apply to a specific activity shall be included in a written report of audit findings.

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The Director of Internal Audit is authorized to notify the appropriate regulatory, law enforcement, and legal authorities of any potential criminal audit findings. The Chancellor and the Board shall be notified prior to such action.

All internal audits shall be conducted in accordance with the procedures for internal audit services in Procedure [C.1.2.1](#).

Procedure [C.1.2.1 Internal Audit Services](#)

*Legal Reference - TACC Policy Reference Manual*  
CDC(LEGAL) - Accounting: Audits