

Texas State Auditor's Office



When the SAO Calls

Charles Wilson, Risk Assessment Manager

Lauren Godfrey, Assistant State Auditor



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Objectives

- Walk through the various functions of the State Auditor's Office and why we may reach out to state agencies.
- Go over major communications on an audit.



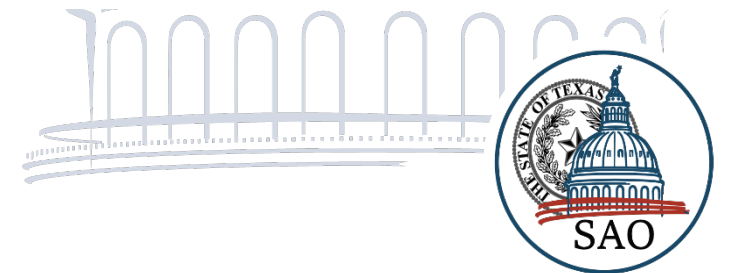
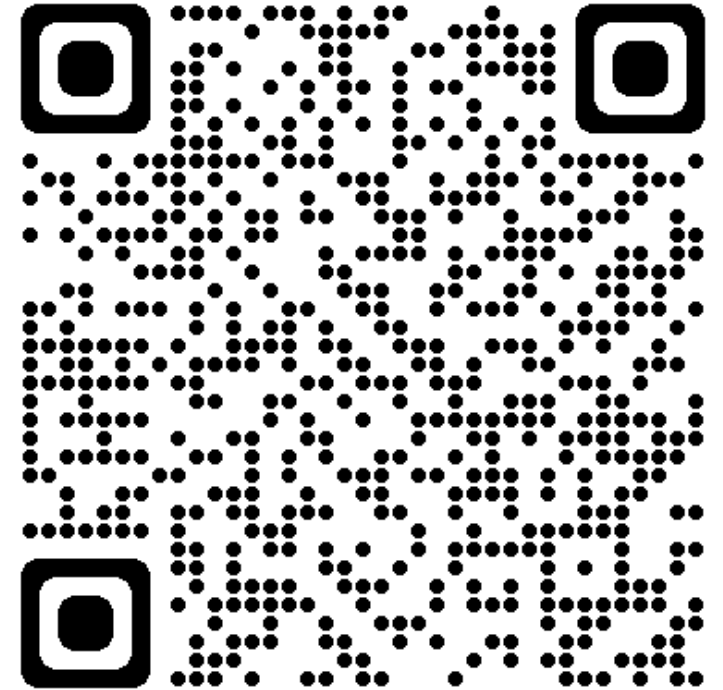
Non-Audit SAO Communications

- Required
 - Status of Audit Recommendations
 - Delegated Audit Authority
 - Annual Internal Audit Report
 - Small Agency Risk Assessment
- Administrative
 - Updating Agency Contacts
 - Billing
- Other
 - Classification
 - Distributed Risk Assessment

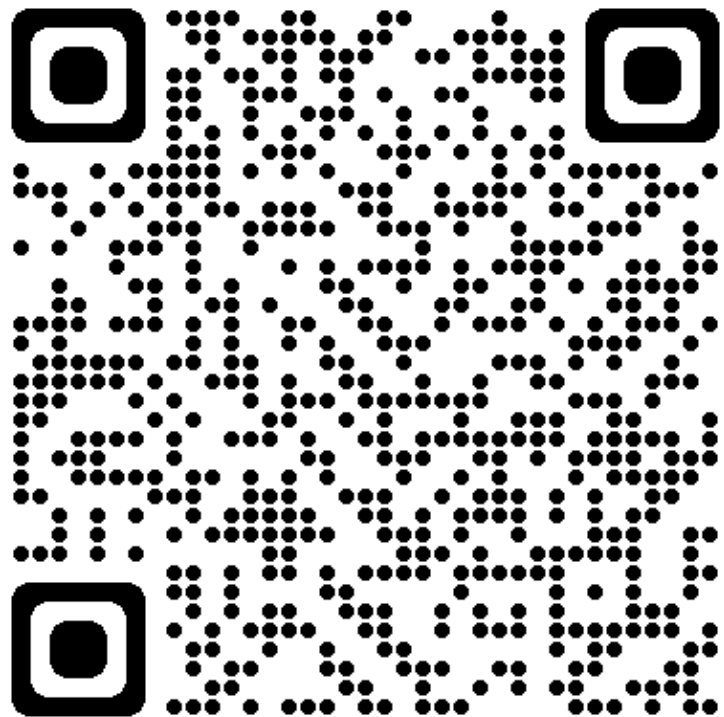


Self-Reported Status of Audit Recommendations

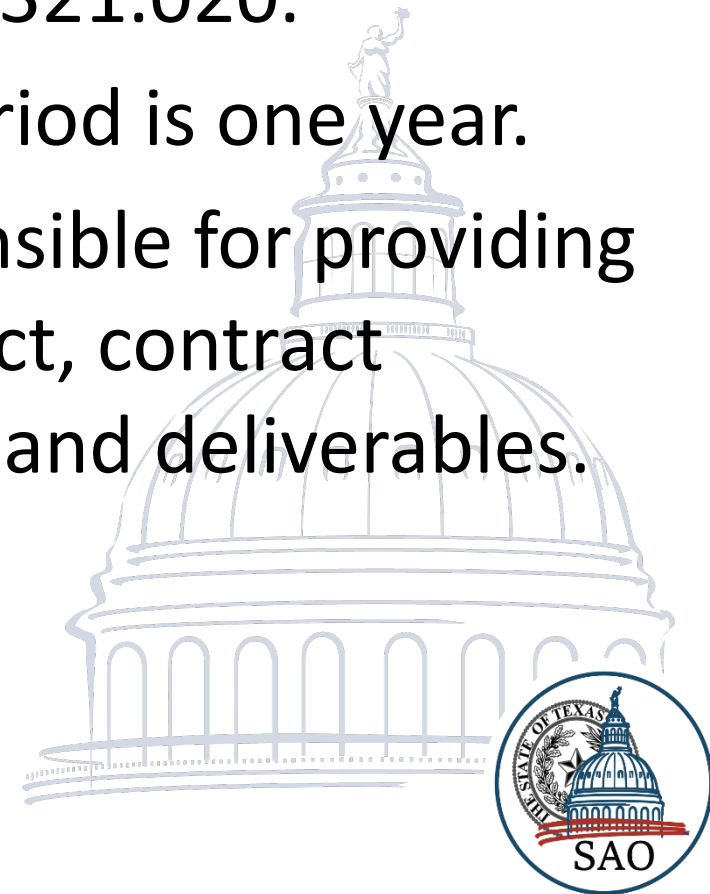
- Required by Texas Government Code, Section 321.014(f).
- 5 year look back for status of SAO audit recommendations.
- Ties with follow-up work that may occur during an audit.



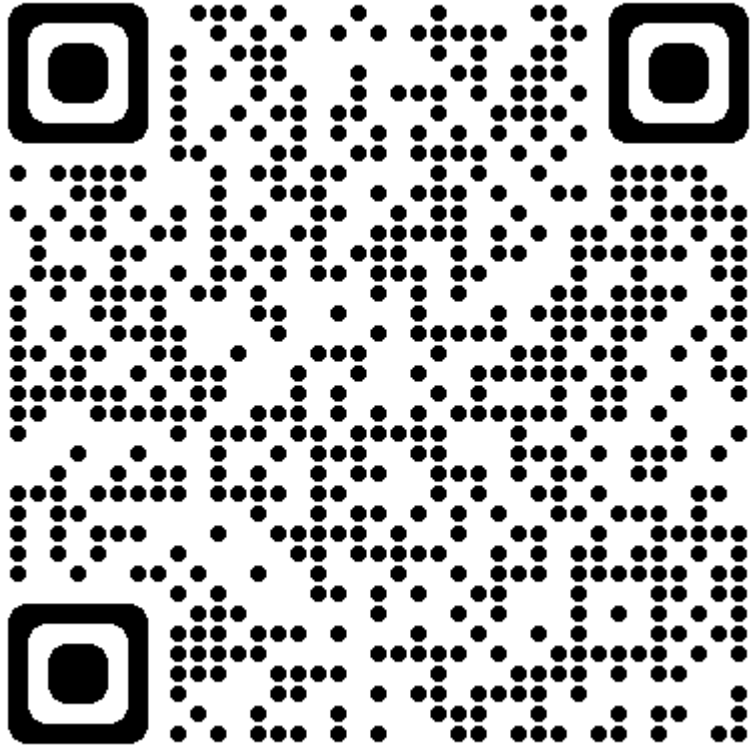
Delegated Audit Authority



- Required by Texas Government Code, Section 321.020.
- Delegation period is one year.
- Agency responsible for providing related contract, contract amendments, and deliverables.



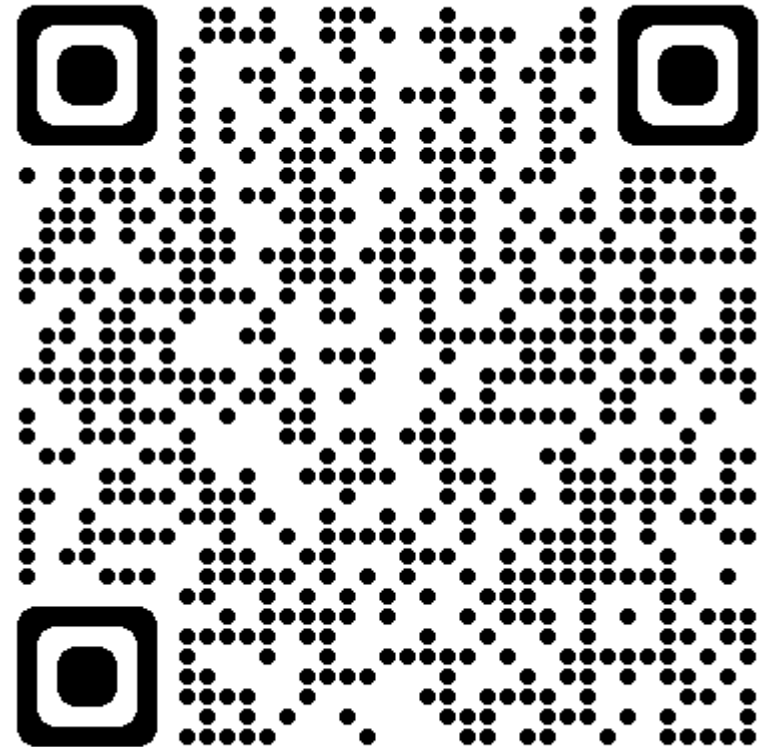
Annual Internal Audit Report



- SAO required by Texas Internal Auditing Act.
- Guidelines sent in August.
- Requested deadline for agency internal audit in early November.

Small Agency Risk Assessment

- If an agency fits certain criteria, it is required annually to submit a small agency risk assessment.
- The risk assessment includes an assessment of primary activities by agency.
- Guidelines sent to agencies in August.



Agency Contacts

- Twice per year the SAO asks agencies to update its contacts.
- How it works:
 - The SAO sends a spreadsheet containing the most recent contacts we have.
 - Agencies asked to provide any updates of contacts.
- Often includes the Agency Fiscal Officer (CFO) and an Accounts Payable contact.



Invoices

- The SAO bills for audit services (Single Audit, SDSI, Financial Opinion audits) to an agency's Internal Audit Director, CFO, and Agency Head
- Also bill for a SAO training that an agency staff attends. The attendee, CFO, and Accounts Payable contact receive this request.



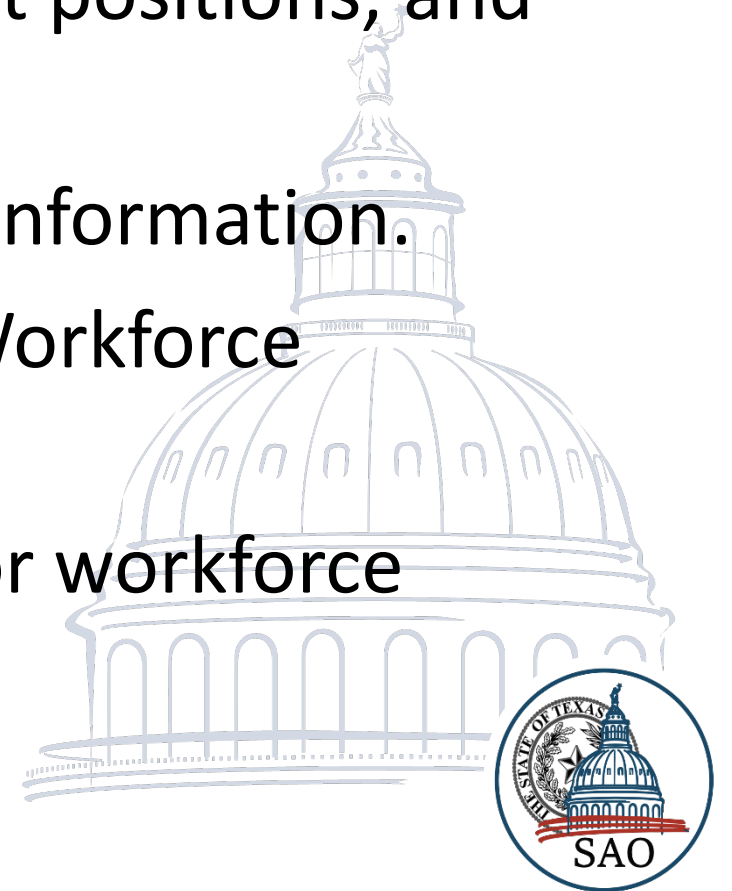
Memo Billing

- All agencies who report federal expenditures on its SEFA will receive a “memo bill” from the State Auditor’s Office.



Classification

- Requests for input on the job classifications included within the State Classification Plan, law enforcement positions, and for the exempt position.
- Input on job descriptions duties and related information.
- Requests for agencies to review Legislative Workforce Summaries.
- Requests for feedback on human resources or workforce topics.



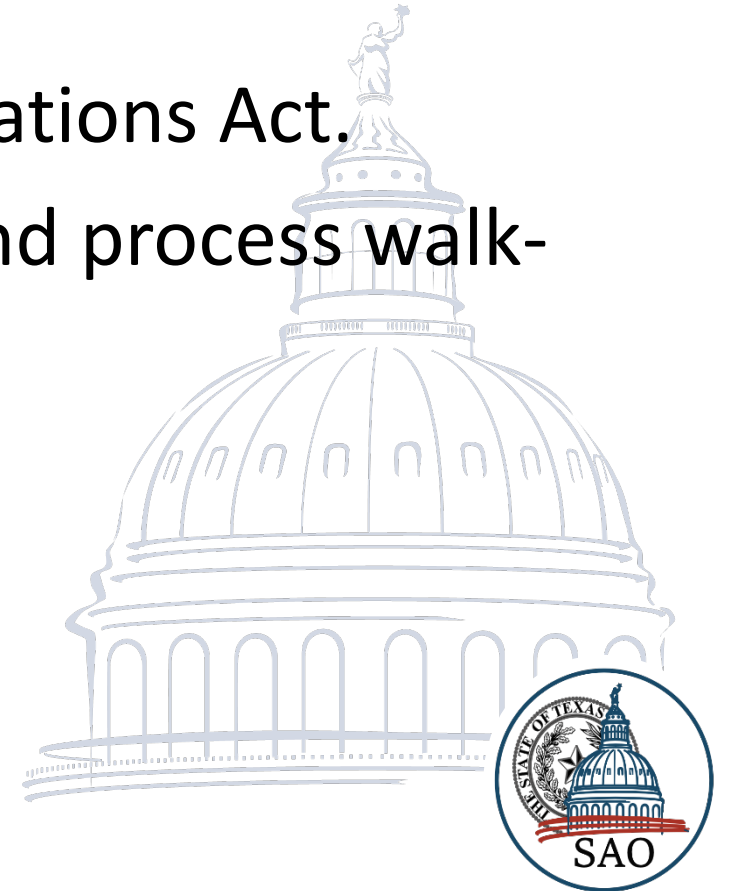
Classification

- Follow up with agency regarding Full-Time Equivalent Employee reporting.
- When conducting classification compliance reviews on occupational categories.
- On human resources related surveys.
- When requesting feedback on leave related topics.



Risk Assessment

- Effort to increase subject matter expertise across state government.
- Organized by Article of the General Appropriations Act.
- May be asked for informational Interviews and process walk-throughs.
- Typically coordinated through internal audit.



Audit Communications

So you are getting audited,
now what?



Audit Communications

- Initial Notification
- Engagement Letter
- Entrance Conference



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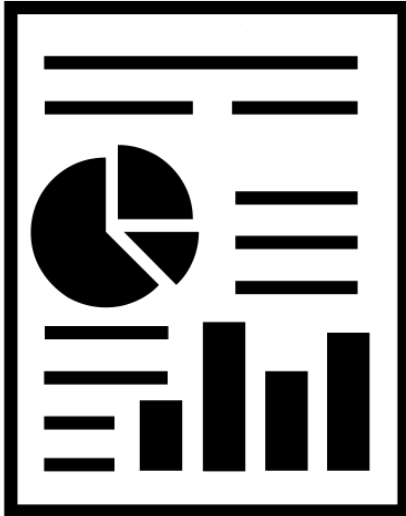
Audit Communications

- Interviews
- Documentation Requests
- Status Meetings



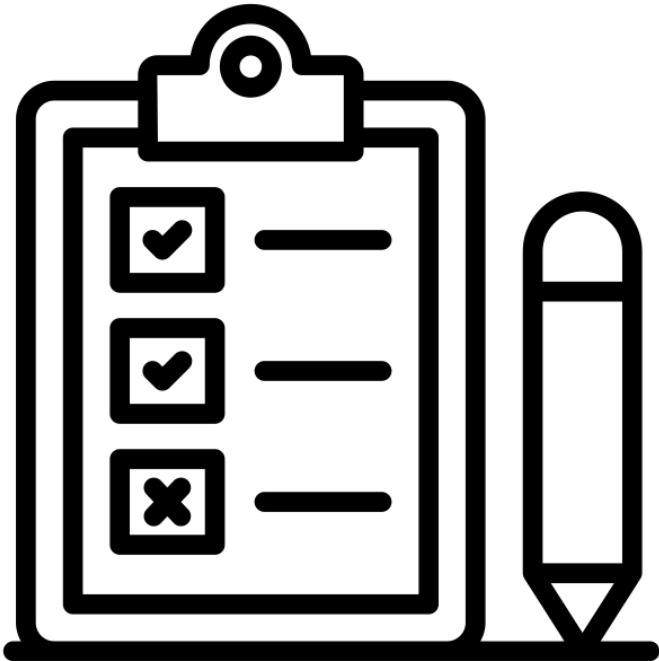
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Audit Communications



- Draft Report
- Exit Conference
- Management Responses

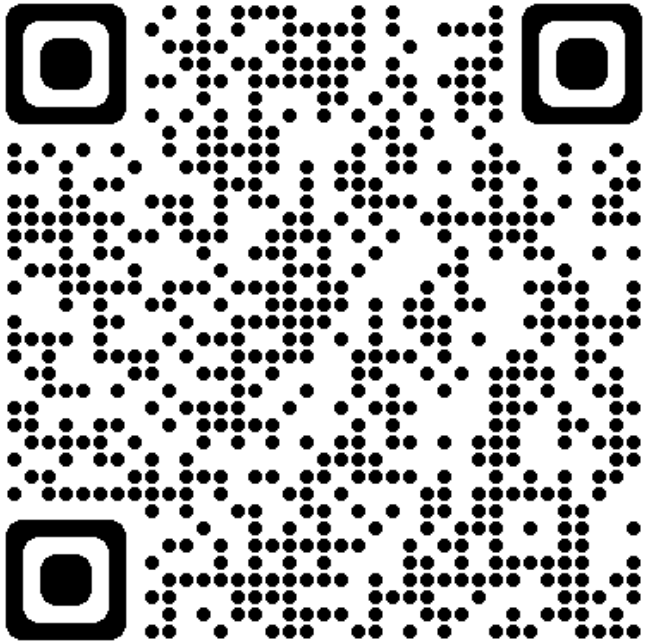
Audit Communications



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- Post Audit Survey

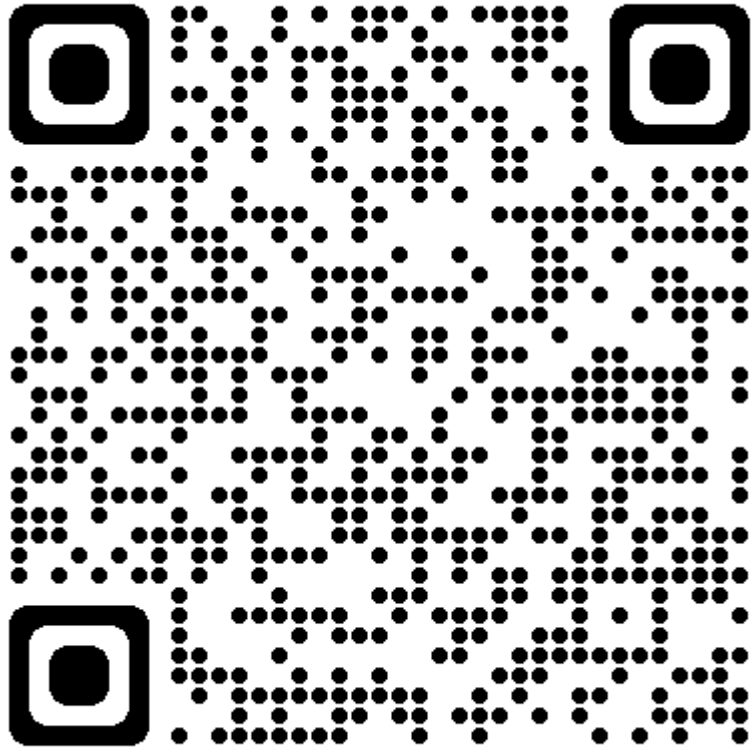
When should I contact SAO?



Report Fraud

The State Auditor's Office investigates allegations of illegal acts and improprieties involving any entity that receives funds from the state.

When should I contact SAO?



Sign Up For Training

The State Auditor's Office coordinates and provides continuing educational opportunities for audit and accounting professionals.

When should I contact SAO?



Submit Reports

The following reports are required to be submitted to the State Auditor's Office:

- Annual Financial Report
- APS 011
- Public Funds Investment Act audit reports

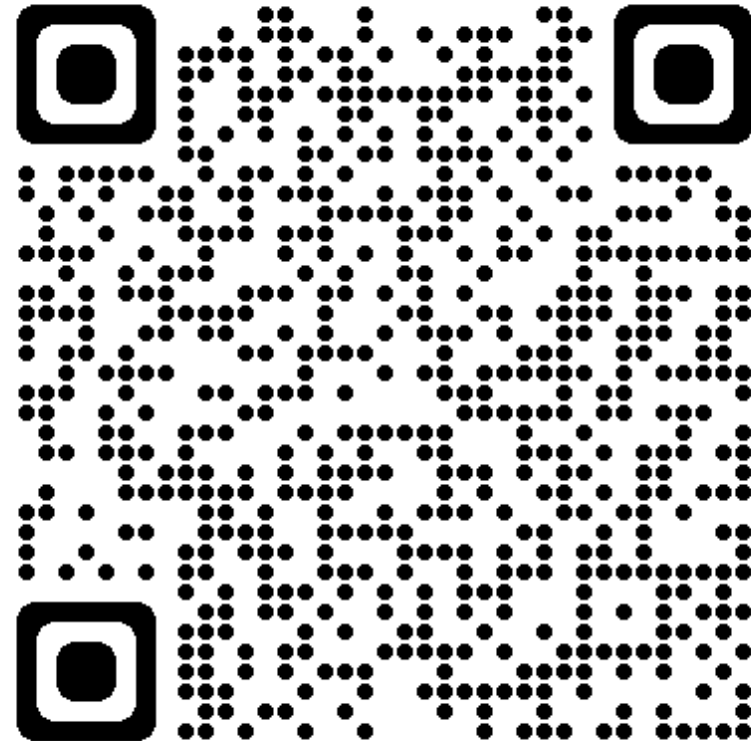
Who should I call when I have a question?

Audit Engagement Questions

- Audit Manager
- Project Manager

General Questions

- Agency Contact Manager



Thank you!

Please reach out to us if you have any questions:

Charles Wilson

Charles.Wilson@sao.Texas.gov

Lauren Godfrey

Lauren.Godfrey@sao.Texas.gov

