

MANUAL OF POLICY

Title	External Audits	5450
Legal Authority	Approval by the Board of Trustees	
Date Approved by Board	Board Minute Order dated November 9, 1995 As Amended by Board Minute Order dated November 19, 1998 As Amended by Board Minute Order dated January 15, 2009	

The accounts of the College shall be audited in accordance with Education Code 61.065.

An independent financial audit report, prepared by a certified public accountant, for the fiscal year ending August 31 shall be submitted to the Board of Trustees for approval and filed with the Coordinating Board on or prior to January 1 following the close of the fiscal year for which the audit was made. Copies of the audit shall be submitted to the Coordinating Board and other appropriate governmental agencies in accordance with applicable laws and guidelines.

All College accounts shall be subject to internal audit as deemed appropriate. The objective of internal accounting control is to provide reasonable assurances as to the safeguarding of assets against loss from unauthorized use or disposition and to evaluate the reliability of financial records for preparing financial statements and maintaining accountability for assets. Findings of such internal and external audits shall be reported to the President, the Finance & Human Resources Committee of the Board, and the Board of Trustees.

The College's external auditor shall be engaged by the Board to conduct the annual financial audit and to perform such other services as may be deemed appropriate by the Board. The Comptroller shall be the primary liaison with the external audit firm and, with the Internal Auditor, shall constitute the formal contact point between the College and the external auditor.

Procurement of external audit services shall be based on demonstrated competence and qualifications according to the requirements of Chapter 2254 of the Texas Government Code (Professional and Consulting Services). Proposals shall be submitted in writing and according to any guidelines specified in the solicitation document provided to each firm. The staff shall conduct an analysis of each proposal and provide the Board, through the Finance & Human Resources Committee of the Board, a report summarizing the proposals received. The Board shall appoint the external auditor at a regular meeting before the end of the last year of the current auditor's engagement.

The term of each engagement shall be set by the Board at the time of appointment of the external auditor and shall be for a period of one year, with four one year renewals, effective the following September 1. However, the auditor selected shall not be prohibited from initiating necessary planning or interim work and shall be allowed to do so as soon as is required to facilitate rendering a timely opinion on the financial statements. The Board may terminate this engagement at any time.