

June 5, 2018

Mr. Charlie Hrcncir, Chief Auditor
System Internal Audit Department
Texas A&M University System
Moore/Connolly Bldg., 4th Floor
301 Tarrow
College Station, Texas 77840-7896

Dear Mr. Hrcncir:

In accordance with the Institute of Internal Auditors (IIA) *International Professional Practices Framework*, the United States Government Accountability Office *Generally Accepted Government Auditing Standards*, and the *Texas Internal Auditing Act* (Texas Government Code, Chapter 2102), we have completed the independent external validation of the System Internal Audit Department (SIAD) of the Texas A&M University System.

Based on our analyses of the information received during this review, it is our opinion that SIAD generally conforms to the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* and the Code of Ethics, the United States Government Accountability Office *Generally Accepted Government Auditing Standards*, and the *Texas Internal Auditing Act*. According to the IIA Quality Assessment Manual, "Generally Conforms" means that an internal audit activity has a charter, policies, and processes that are judged to be in conformance with the *Standards*.

We noted that SIAD has undergone significant change in both its leadership and staff since the last quality assurance review. To management's credit, despite these changes, the department continues to operate at a high level, exhibiting sound management principles, independence, and objectivity. In fact, the review team noted the implementation of new processes designed to enhance SIAD productivity and further department accountability and transparency. New staff members add fresh perspective to the function and appear qualified and proficient. Audits are well planned (including risk assessment techniques); fieldwork is performed appropriately; audit conclusions are supported in the working papers; and findings and recommendations are communicated clearly and concisely.

We also found that as the new chief auditor you continue to build effective relationships with the Board of Regents and are well respected and supported by management. Interviews conducted during our review indicate that management across the system considers the audit function a value-added and collaborative partner contributing to the enhancement of both campus-level and system operations.

We appreciate the cooperation and courtesies extended to us during our review by the internal audit team and the Texas A&M System community. Please do not hesitate to reach out to myself or any of the review team should you have any questions regarding the review.

Warm regards,



Douglas D. Horr
Associate Vice Chancellor
Audit, Risk & Advisory Services
Vanderbilt University

Sandy Jansen
Chief Audit & Compliance Officer
Office of Audit & Compliance
The University of Tennessee System

Jordan Ramsey
Associate Director
Office of Internal Audit
Mississippi State University

Stacey Walker
Director
Internal Auditing
Auburn University

c: Mr. John Sharp, Chancellor
Mr. Cliff Thomas, Chair, Board of Regents Committee on Audit