

TACRAO Audit Committee Report

October 31, 2023

Audit Committee Members:

Bobby Lothringer, Chair, Southern Methodist University

Rachel Fernandez, Texas Tech University

Jamie Hansard, Texas Tech University

On October 30, 2023 we conducted an audit of the TACRAO Financial Records for the 2022-2023 fiscal year onsite at the Denton annual meeting (audit period 9/1/22 – 8/31/23). The scope of the audit included a review of the Association's financial transactions, banking records, and profit/loss balances for the operations' accounts. The audit also included a similar review of the Texas Common Course Numbering System (TCCNS) financial records.

The Audit Committee's questions and comments were addressed with no lingering concerns.

We find the records to be in good order and would like to commend the 2022-2023 Executive Committee, TACRAO Past Treasurer, Lori Zerr, University of Texas Health Science Center at Houston, and TACRAO Treasurer, Truman Glenn, University of Texas at Austin, for their work in responsible money management and documentation of financial records.

Recommendations:

- We commend TACAO Treasurer, Truman Glenn, and TACRAO Past-Treasurer, Lori Zerr, for the excellent work in maintaining the Longitudinal Studies for both the TACRAO Operations account and the TCCNS account. We recommend that a net amount line is included in both longitudinal studies to help illustrate profit/loss from one year to the next reflecting financial trends of the organization.
- We appreciated that the TACRAO Treasurer provided all documents for the audit in early October and we recommend future audit committees request access to these documents well in advance of the conference to allow for a similar thorough review.
- We recommend that the Executive Committee pursue RFPs for an outside accounting firm to perform a third-party audit of the most recent fiscal year's financial records as well as consideration for a historical audit of the past five years of the association's financial records.
 - An audit of the previous fiscal year would ideally have its report submitted to the TACRAO Executive Committee for review by the following February in time for the TEC's first quarterly meeting.
- We recommend that the TACRAO Executive Committee allow the CD that is scheduled to mature in March of 2024 to automatically roll-over. This would allow the TEC to utilize the results and recommendations from the third-party audit to make an informed decision on the most appropriate action to take with both the CDs and the savings accounts.
- We recommend the TACRAO Executive Committee use the data from the longitudinal study to formulate an annual Association budget that would be approved by the TEC at the August meeting for the fiscal year starting September 1.
- We recommend the treasurer provide a short Executive Summary to help assist the audit committee in navigating the various financial transaction documents. This summary would also include explanations on how income sources that require split distributions to multiple financial item types are documented.
- We recommend the Audit Committee Chair, the Treasurer, and the Past Treasurer work to update the procedures manual to provide a more prescribed process for the Audit Committee to follow when reviewing the financial records of both the LAC and the Association. These updated procedures would be a script and checklist for the committee to ensure a complete and accurate auditing process.

Respectfully submitted,
2022-2023 Audit Committee