



Lawrence F. Alwin, CPA
State Auditor

April 10, 2002

Members of the Legislative Audit Committee:

The State Auditor's Office published six accreditation review reports in fiscal year 2002. The Southern Association of Colleges and Schools (SACS) requires these financial reviews as a part of its university accreditation process. The universities may choose to have this work done by the State Auditor's Office or by an independent CPA firm.

SACS is the regional accrediting body for eleven southern states (including Texas). It is recognized by the U.S. Secretary of Education as a reliable authority concerning the quality of education offered by institutions of higher education.

We perform these accreditation reviews in conjunction with the internal audit departments of the universities. The internal audit departments prepare summarized financial statements and supporting information. The State Auditor's Office reviews the information provided and determines whether the financial information is appropriately presented and supported. This approach is cost-efficient for the universities and provides the State Auditor's Office with opportunities to review the accounting systems used by the various universities.

Accreditation reviews are incorporated in the approved State Auditor's Office Work Plan for Fiscal Year 2002. During this fiscal year, reports have been issued for the following universities:

Texas A&M University
Texas A&M University at Galveston
Texas A&M University System Health Science Center
University of Houston - Clear Lake
Angelo State University
Midwestern State University

We had positive results on each of the above reviews. In our reviews, nothing came to our attention that would require a material modification to the financial statements for them to be in conformity with generally accepted accounting principles.

We appreciate the opportunity to provide this service to the universities. We also appreciate the assistance provided by the internal audit departments and management of the universities. If you have any questions, please contact Susan Riley, Audit Manager, at 936-9500.

Sincerely,

Lawrence F. Alwin, CPA
State Auditor

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cc: Chairmen of the Board of Regents of each reviewed university
Chancellors and Presidents of each reviewed university

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A Report on
**The Fiscal Year 2002
University Accreditation Reviews**



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