

# **TEXAS BOARD OF PROFESSIONAL ENGINEERS**

## **FISCAL YEAR 2019 INTERNAL AUDIT ANNUAL REPORT**

**MONDAY RUFUS & CO., P.C.**  
**Certified Public Accountants & Advisors**  
**1508 Dessau Ridge Ln., Austin, Texas 78754**

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Texas Board of Professional Engineers  
Austin, Texas  
Internal Audit Annual Report  
Fiscal Year 2019

**I. Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit information on Internet Web site.**

Within 30 days of approval, the Texas Board of Professional Engineers will post the following information on its Internet Web site:

- An approved fiscal year 2020 audit plan, as provided by Texas Government Code, Section 2102.008.
- A fiscal year 2019 internal audit annual report, as required by Texas Government Code, Section 2102.009.

**II. Internal Audit Plan for Fiscal Year 2019**

The Board approved the following audits for fiscal year 2019:

- **Licensing.** The Board underwent an extensive cybersecurity audit during the year; one of the major areas identified in its annual risk assessment. That audit was based on Texas Cybersecurity Framework and the Department of Information Resources Standards Catalog. As a result, the Board has elected to use that cybersecurity audit as its internal audit activities for Fiscal Year 2019.

**III. Consulting Services and Non-audit Services Completed**

The Internal Auditor did not perform any services which would be considered consulting engagements, as defined in the *Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing*, and no non-audit services, as defined in *Government Auditing Standards, 2011 Revision*, Sections 3.33 – 3.58, or *Government Auditing Standards, 2018 Revision*, Sections 3.64 – 3.106, as applicable, during fiscal year 2019.

**IV. External Quality Assurance Review (Peer Review)**

A copy of the most recent External Quality Assurance Review Report is included on the following pages:

March 13, 2018

Monday Rufus  
Monday Rufus & Co., P.C.  
608 Morrow St Ste 101  
Austin, TX 78752 1348

Dear Monday Rufus:

It is my pleasure to notify you that on March 12, 2018, the Texas Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is October 31, 2020. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation and support of the profession's practice-monitoring programs.

Sincerely,



Jerry Cross  
Director - Peer Review  
peerreview@tscpa.net 800-428-0272 Opt. 2  
Texas Society of CPAs

CC: Edward Rose

Firm Number: 900010139286

Review Number: 548833

**EDWARD A. ROSE, JR.**  
CERTIFIED PUBLIC ACCOUNTANT, P.C.  
(LICENSED IN TEXAS, CALIFORNIA, & NEVADA)

ONE HARBOUR SQUARE  
3027 MARINA BAY DRIVE, SUITE 208  
LEAGUE CITY, TEXAS 77573

edrose@edroseattorneycpa.com

OFF: 713-581-6029  
CELL: 760-580-7511  
FAX: 832-201-9960

**Report on the Firm's System of Quality Control**

November 24, 2017

To: The shareholders of Monday Rufus & Co., P.C. and the Peer Review Committee of the Texas Society of CPAs.

We have reviewed the system of quality control for the accounting and auditing practice of Monday Rufus & Co., P.C. (the firm) in effect for the year ended April 30, 2017. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

**Firm's Responsibility**

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

**Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

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MEMBER: AMERICAN INSTITUTE OF CPAs, TEXAS SOCIETY OF CPAs, CALIFORNIA SOCIETY OF CPAs

**EDWARD A. ROSE, JR.**  
CERTIFIED PUBLIC ACCOUNTANT, P.C.  
(LICENSED IN TEXAS, CALIFORNIA, & NEVADA)

ONE HARBOUR SQUARE  
3027 MARINA BAY DRIVE, SUITE 208  
LEAGUE CITY, TEXAS 77573

edrose@edroseattorneycpa.com

OFF: 713-581-6029  
CELL: 760-580-7511  
FAX: 832-201-9960

**Required Selections and Considerations**

Engagements selected for review included engagements performed under Government Auditing Standards.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

**Opinion**

In our opinion, the system of quality control for the accounting and auditing practice of Monday Rufus & Co., P.C. in effect for the year ended April 30, 2017 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. **Monday Rufus & Co., P.C. has received a rating of PASS.**



Edward A. Rose, Jr., CPA, PC

## **V. INTERNAL AUDIT PLAN FOR FISCAL YEAR 2020**

	<u>Budgeted Hours</u>
• <b>Licensing</b>	
- Licensing	80
<b>Total Hours</b>	<u>80</u>

Our risk assessment was performed through the consideration of various factors, including:

1. Exposure Level
2. Complexity of Unit
3. Materiality of Revenues and Expenditures
4. Results of Last Audit
5. Extent of other Coverage or Oversight
6. Quality of Internal Controls/Adherence to laws
7. Changes in systems and processes
8. Normal Audit Interval

Although all of the above factors were considered in the assessment of risk for each process/system, some of the factors were weighed more heavily and considered to be more critical to the Agency's internal control structure. The following critical factors were weighted more heavily in our assessment.

- Exposure Level
- Quality of Controls
- Changes in Systems and Processes

Please note the internal audit plan for FY 2020 incorporates the merger of the Texas Board of Professional Engineers (TBPE) and the Texas Board of Professional Licensed Surveying (TBPLS). The merger was created by HB 5123, effective September 1, 2019.

## **VI. External Audit Services Procured in Fiscal Year 2019**

There were no External Audit Services for the fiscal year 2019 other than the audit conducted by the Cybersecurity Security Audit referenced in Section II.

## **VII. Reporting Suspected Fraud and Abuse**

In accordance with the requirements of Section 7.09, page IX-37, the General Appropriations Act (86th Legislature, and Texas Government Code, Section 321.022, the Texas Board of Professional Engineers and Land Surveyors has posted information on how to report suspected fraud, waste or abuse of state funds on their website.

## **VIII. Report Distribution**

As required by Government Code Section 2102.0091 copies of this report should be filed with the following:

### **Governor's Office of Budget and Planning**

Attn: John Colyandro  
Phone: (512) 463-1778  
Budgetandpolicyreports@governor.state.tx.us

### **Legislative Budget Board**

Attn: Christopher Mattsson  
Phone: (512) 463-1200  
Audit@lbb.state.tx.us

### **State Auditor's Office**

Attn: Internal Audit Coordinator  
Phone: (512) 936-9500  
iacoordinator@sao.state.tx.us

### **Sunset Advisory Commission**

Attn: Jennifer Jones  
Phone: (512) 463-1300  
sunset@sunset.state.tx.us