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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 2019 audit plan, as provided by Texas Government Code, Section 2102.008.
- Individual audits (including follow-up internal audits) showing findings and recommendation made by the internal auditor, and management’s responses and/or action plans or updates, unless they are excepted from disclosure under Chapter 552 of the Texas Government Code.
- A fiscal year 2018 internal audit annual report, as required by Texas Government Code, Section 2102.009.

II. Internal Audit Plan for Fiscal Year 2018

The Board approved the following audits for fiscal year 2018:

There were no internal audit activities in Fiscal Year 2018. The Board elected to use the audit conducted by the State Auditor’s Office as its sole audit for the fiscal year. See SAO’s audit titled “An Audit Report on the Board of Professional Engineers: A Self directed Semi-independent Agency (SAO Report #18-016).

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, during fiscal year 2018.

IV. External Quality Assurance Review (Peer Review)

A copy of the most recent External Quality Assurance Review Report is included on the following pages:
REPORT ON THE
EXTERNAL QUALITY ASSURANCE REVIEW
OF THE
Texas Board of Professional Engineers
INTERNAL AUDIT FUNCTION
Year ended August 31, 2015

Report Date: October 23, 2015

Performed By

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Member
American Institute of CPAs
Greater Washington Society of CPAs
Maryland Association of CPAs
External Quality Assurance Review Report

Overall Conclusion

Based on the information received and evaluated during this external quality assurance review, we conclude that the Texas Board of Professional Engineers’ Internal Audit function "complies" with the Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing Standards, the Code of Ethics contained in the Professional Practices Framework, the United States Government Accountability Office (GAO) Government Auditing Standards, and the Texas Internal Audit Act (Texas Government Code, Chapter 2102).

Samson T.A. and Associates, PLLC
External Quality Assurance Reviewer
Washington, DC
October 23, 2015

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EXTERIOR QUALITY ASSURANCE REVIEW
TEXAS BOARD OF PROFESSIONAL ENGINEERS
INTERNAL AUDIT FUNCTION
Year ended August 31, 2015

BACKGROUND

The Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing, U.S. Government Accountability Office (GAO) Government Auditing Standards, and the Texas Internal Audit Act require that internal audit functions obtain external quality assurance reviews to assess compliance with standards and the Act and to appraise the quality of their operations. Government auditing standards require this review at least every three years. A periodic external quality assurance review, or peer review, of the internal audit function is an essential part of a comprehensive quality assurance program.

OBJECTIVES, SCOPE, AND METHODOLOGY

The primary objective of the quality assurance review was to evaluate the Texas Board of Professional Engineers’ compliance with professional standards and the Texas Internal Audit Act. The scope of the review included all internal audits completed during the year ended August 31, 2015.

The work performed during the review included:

- Review of Internal Audit’s policies and procedures, annual risk assessment, annual audit plan, and other relevant documents;
- Review of the Texas Internal Auditing Act (Government Code, Chapter 2102);
- Review of the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing;
- Review and evaluation of audit work papers.

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V. INTERNAL AUDIT PLAN FOR FISCAL YEAR 2019
(To be submitted for Board’s approval during the fiscal year)

Budgeted Hours

- Licensing
  - Licensing 80

Total Hours 80

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

VI. External Audit Services Procured in Fiscal Year 2018

There were no External Audit Services for the fiscal year 2018 other than the audit conducted by the State Auditor’s Office (See SAO Report 18-016)

VII. Reporting Suspected Fraud and Abuse

In accordance with the requirements of Section 7.09, and the General Appropriations Act (84th Legislature, Conference Committee Report) Article IX, and Texas Government Code, Section 321.022, the Texas State Board of Public Accountancy 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 and Policy**
Attn: Sarah Hicks  
Phone: (512) 463-1778  
budgetandpolicyreports@gov.texas.gov

**Legislative Budget Board**
Attn: Julie Ivie  
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: Ken Levine  
Phone: (512) 463-1300  
sunset@sunset.state.tx.us