

**TEXAS STATE SOIL AND WATER CONSERVATION BOARD**

**FISCAL YEAR 2021 INTERNAL AUDIT ANNUAL REPORT**

**MONDAY RUFUS & CO., P.C.**  
**Certified Public Accountants & Advisors**  
**1508 Dessau Ridge Ln., Ste 405 Austin, Texas 78754**

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Texas State Soil and Water Conservation Board  
Austin, Texas  
Internal Audit Annual Report  
Fiscal Year 2021

**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 State Soil and Water Conservation Board should post the following information on its Internet Web site:

- An approved fiscal year 2022 audit plan, as provided by Texas Government Code, Section 2102.015.
- A fiscal year 2021 internal audit annual report, as required by Texas Government Code, Section 2102.009.

**II. Internal Audit Plan for Fiscal Year 2021**

The Commission approved the following audits for fiscal year 2021:

- Performance Measures Reporting (**On-going**)
- Follow-up on Prior Internal Audit Recommendations: Personnel Processes (**020-001- Report Dated: August 24, 2020**). (**On-going**)

**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, 2018 Revision*, Technical Update April 2021, *Sections 3.64 – 3.106*.

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

MONDAY RUFUS & CO., P.C. (MR & CO.) has been a member of the American Institute of Certified Public Accountants (AICPA) since its formation and is enrolled in the AICPA's peer review program. Peer reviews determine if a CPA firm's system of quality control complies with professional standards. The peer review must be conducted by an independent reviewer. The AICPA oversees the program, and an entity approved to perform the role will perform the review. Firms enrolled in the AICPA's Peer Review Program are required to conduct a peer review once every three years. During MR & CO.'s peer review, the peer reviewer performs a thorough review of the firm's system of quality control, which includes reviews of government (including internal audit), nonprofit, and commercial engagements. As has been noted in the past, MR& CO.'s most recent peer review resulted in a rating of *Pass* (the highest peer review grade that can be received by a CPA firm), indicating compliance with the quality control standards established by the AICPA. We provide a copy of our most recent peer review report and acceptance letter below.



AICPA Peer Review Program  
and TXCPA Peer Review Program  
Administered by the Texas Society of CPAs



April 22, 2021

Monday Rufus  
Monday Rufus & Co., P.C.  
1508 Dessau Ridge Ln Ste. 405  
Austin, TX 78754-2119

Dear Monday Rufus:

It is my pleasure to notify you that on April 19, 2021, 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, 2023. 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.

Sincerely,

Peer Review Committee  
Texas Society of CPAs  
800-428-0272 Opt. 3

cc: Edward Rose

Firm Number: 900010139286

Review Number: 579255

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14651 Dallas Parkway, Suite 700, Dallas, TX 75254-7408 • (972) 687-8500 • (800) 428-0272 • Fax (972) 687-8575

FISCAL YEAR 2021 INTERNAL AUDIT ANNUAL REPORT

**EDWARD A. ROSE, JR.**  
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(LICENSED IN TEXAS, CALIFORNIA, & NEVADA)

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

January 31, 2021

To: 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 in effect for the year ended April 30, 2020. 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

### **Required Selections and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

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, 2020 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.**

A handwritten signature in black ink, appearing to read 'E. Rose, Jr.', with a stylized flourish at the end.

Edward A. Rose, Jr., CPA, PC

## **V. INTERNAL AUDIT PLAN FOR FISCAL YEAR 2022**

### **Fiscal Year 2022 Internal Audit Plan**

	<u>Budgeted Hours</u>
• Fleet Management and Fixed Asset Inventory	135
• Water Quality Complaint Program	135
• Follow-up on Prior Audit recommendations :	
SWCD Grants & Financial Assistance (Report Date: October 26, 2020)	<u>40</u>
<b>Total</b>	<b>310</b>

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 2021**

There were no External Audit Services for the fiscal year 2021 other than Internal Audit Services.

## **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 State Soil and Water Conservation Commission 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: Sarah Hicks

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