

**TEXAS ANIMAL HEALTH COMMISSION**

**FISCAL YEAR 2018 INTERNAL AUDIT ANNUAL REPORT**

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

# TABLE OF CONTENTS

I.	<b>Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit information on Internet Website.....</b>	<b>2</b>
II.	<b>Internal Audit Plan for Fiscal Year 2018.....</b>	<b>2</b>
III.	<b>Consulting Services and Non-audit Services Completed.....</b>	<b>2</b>
IV.	<b>External Quality Assurance Review (Peer Review).....</b>	<b>3</b>
V.	<b>Internal Audit Plan for Fiscal Year 2019.....</b>	<b>6</b>
VI.	<b>External Audit Services Procured in Fiscal Year 2018.....</b>	<b>6</b>
VII.	<b>Reporting Suspected Fraud and Abuse.....</b>	<b>6</b>
VIII.	<b>Report Distribution.....</b>	<b>6</b>

Texas Animal Health Commission  
Austin, Texas  
Internal Audit Annual Report  
Fiscal Year 2018

**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 Animal Health Commission should 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 Commission approved the following audits for fiscal year 2018:

- Personnel Processes (**Report #018-001: Dated: January 24, 2018**).
- Region 8 Office (Laredo, TX) (**Report #018-002: Dated: June 13, 2018**).
- Information Systems - Security (**Report #018-003: Dated: July 27, 2018**).
- Follow-up on Prior Internal Audit Recommendations (FY 2016) (**Report #018-004: Dated: August 21, 2018**).

**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 ANIMAL HEALTH COMMISSION  
INTERNAL AUDIT FUNCTION**

*October 2016*

**PERFORMED BY**

SAMSON AFOLABI, CPA, CGMA  
EXTERNAL QUALITY ASSURANCE REVIEWER  
SAMSON T.A. AND ASSOCIATES, PLLC  
1629 K Street NW, Suite 300  
Washington, DC 20006  
Tel: (202) 595-9369, (240) 603-1434  
Fax: (202) 554-9370

**Samson T.A. and Associates, PLLC**

GS1 Federal Supply Schedule, GS1 GPO & BDS, DSE and HSE  
DC Supply Schedule, DC LEDE, and DC DOTDSE

1429 K Street NW, Suite 300, Washington, DC 20004  
Tel: (202) 595-9349, (240) 403-1434  
Fax: (202) 554-9370

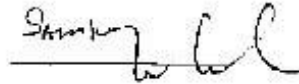
*Certified Public Accountants  
& Management Consultants*

Email: [safolabi@samsoncpa.com](mailto:safolabi@samsoncpa.com)  
Website: [samsoncpa.com](http://samsoncpa.com)

**TEXAS ANIMAL HEALTH COMMISSION  
INTERNAL AUDIT FUNCTION  
EXTERNAL QUALITY ASSURANCE REVIEW - October 2016**

**OVERALL CONCLUSION**

Based on the information received and evaluated during this external quality assurance review, we conclude that the Texas Animal Health Commission's Internal Audit function "fully 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 Afolabi, CPA, CGMA  
External Quality Assurance Reviewer

October 31, 2016  
Date

**TEXAS ANIMAL HEALTH COMMISSION  
INTERNAL AUDIT FUNCTION  
EXTERNAL QUALITY ASSURANCE REVIEW  
October 2016**

**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 these reviews 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 Animal Health Commission's compliance with professional standards and the Texas Internal Audit Act. The scope of the review included all internal audit completed during the year ending August 31, 2016

The work performed during the review included:

- 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 of the U.S. Government Accountability Office (GAO) *Government Auditing Standards*, and the Code of Ethics contained in the *Professional Practices Framework*.
- Review and evaluation of audit working papers.
- Review of Internal Audit's policies and procedures, annual risk assessment, annual audit plan, and other relevant documents.

## **V. INTERNAL AUDIT PLAN FOR FISCAL YEAR 2019**

**(To be prepared and submitted for approval by the Commissioners during the fiscal year)**

## **VI. External Audit Services Procured in Fiscal Year 2018**

There were no External Audit Services for the fiscal year 2018 other than Internal Audit Services, except for the Post Payment Audit by the Comptroller's Office.

## **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 Animal Health 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 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  
iaordinator@sao.state.tx.us

### **Sunset Advisory Commission**

Attn: Ken Levine  
Phone: (512) 463-1300  
sunset@sunset.state.tx.us