

# **TEXAS RACING 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>2</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 Racing 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 Racing 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:

- Texas Bred Incentive Programs – Associations (**Report #018-001 March 10, 2018**).
- Texas Bred Incentive Programs – TxRC's Policies & Procedures (**Report #018-001 March 10, 2018**).

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

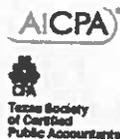
The Internal Auditor did not perform any services which would be considered consulting engagements, as defined in the *Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing*, and no non-audit services, as defined in *Government Auditing Standards, 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:

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



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,

A handwritten signature in black ink that reads "Jerry Cross".

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

CC: Edward Rose

Firm Number: 900010139288

Review Number: 548833

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

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**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.

Page | 1

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

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**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 2019  
(To be prepared and submitted for Commission's approval 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.

**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 Racing 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](mailto:budgetandpolicyreports@gov.texas.gov)

**Legislative Budget Board**

Attn: Julie Ivie

Phone: (512) 463-1200

[audit@lbb.state.tx.us](mailto:audit@lbb.state.tx.us)

**State Auditor's Office**

Attn: Internal Audit Coordinator

Phone: (512) 936-9500

[iacoordinator@sao.state.tx.us](mailto:iacoordinator@sao.state.tx.us)

**Sunset Advisory Commission**

Attn: Ken Levine

Phone: (512) 463-1300

[sunset@sunset.state.tx.us](mailto:sunset@sunset.state.tx.us)

THE UNIVERSITY OF CHICAGO  
DEPARTMENT OF CHEMISTRY

REPORT OF THE  
COMMISSIONERS OF THE BOARD OF EDUCATION

FOR THE YEAR 1900-1901

CHICAGO, ILL., 1901

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