



GOVERNOR GREG ABBOTT

April 8, 2024

Sonya Etheridge
Director of Internal Audit
Texas Facilities Commission

Dear Ms. Etheridge,


We have completed the peer review of the Texas Facilities Commission's (Commission) Internal Audit Department for the period 7/2022-6/2023. In conducting our review, we followed the standards and guidelines contained in the Peer Review Manual published by the State Agency Internal Audit Forum (SAIAF).

The Institute of Internal Auditors (IIA) *International Standards for the Professional Practices of Internal Auditing and Code of Ethics*, U.S. Government Accountability Office (GAO) *Government Auditing Standards*, and the Texas Internal Auditing Act (Texas Government Code, Chapter 2102) require that internal audit functions obtain external quality assurance reviews (peer reviews) to assess compliance with standards and the Act and to appraise the quality of their operations.

We reviewed the internal quality control system and conducted tests to determine if the internal quality control system operated to provide reasonable assurance of conformance with the IIA *Standards*, the GAO *Standards*, and the Texas Internal Auditing Act. Due to variances in individual performance and judgment, conformance does not imply adherence to standards in every case but does imply adherence in most situations. Based on the information received and evaluated during this external quality assurance review, it is our opinion that the Commission's Internal Audit Department receives a rating of: **Pass/Generally Conforms**.

"Pass/Generally Conforms" means that the audit organization's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards (*International Standards for the Professional Practices of Internal Auditing and Code of Ethics*, U.S. Government Accountability Office *Government Auditing Standards*, and the Texas Internal Auditing Act) in all material respects. There may be opportunities for improvement, but these should not present situations where the activity has not implemented the professional standards and has not applied them effectively or achieved their stated objectives. As indicated above, general conformance does not require complete or perfect conformance, the ideal situation or successful practice, etc. This is the highest of three possible ratings that can be achieved.

The Commission's Internal Audit Department has reviewed the results of the work performed by the peer review team and accepted them to be an accurate representation of operations. To the extent lawful, the Commission's Internal Audit Department agrees to hold SAIAF and its officers and representatives harmless of any liability arising from the actions of the peer review team or issues resulting from the peer review.



Marios Pappounas, CIA, CFE, CISA, CGFM
Director of Internal Audit
Office of the Governor