

January 18, 2017

Mr. David Griffith, Deputy Inspector General for Audit
Texas Health and Human Services Commission
11501 Burnet Road, Building 902
Austin, TX 78758

Dear Mr. Griffith:

We have completed an external peer review of the Texas Office of Inspector General (OIG) Audit Division for the period from 9/1/2015 to 8/31/2016.

Based on the results of our review, it is our opinion that internal quality control system of the OIG Audit Division was suitably designed and operating effectively to provide reasonable assurance of compliance with *Government Auditing Standards* for audits during the review period. According to the Government Auditing Standards, the possible ratings for peer reviews include Pass, Pass with Deficiencies, or Fail. Based on the work we performed, our conclusion is that the OIG Audit Division has earned a rating of Pass for this review.

In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guide* published by the Association of Local Government Auditors (ALGA). Our work involved reviewing the internal quality control system of your audit organization and conducting tests to determine whether the division's internal quality control system operated to provide reasonable assurance of compliance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures included:

- Reviewing the audit organization's written policies and procedures
- Reviewing internal monitoring procedures and reports
- Reviewing a sample of audit engagements and working papers
- Reviewing documents related to independence, training, and development of audit personnel
- Interviewing audit staff and management to assess their understanding of, and compliance with, relevant quality control policies and procedures



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Due to variances in individual performance and judgment, compliance does not imply adherence to standards in every case, but does imply adherence in most situations.

We have prepared a separate letter offering suggestions to further strengthen the internal quality control system.

Sincerely,



Leita Hart-Fanta, CPA, CGFM, CGAP
Yellow Book CPE
Team Leader



Sefton Boyars, CPA, CGFM
Team Member



Helen S. Young, MBA, CIA
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