



TEXAS
Department of Family
and Protective Services

Fiscal Year 2024
Annual Audit Plan
Internal Audit Division

September 2023

Fiscal Year 2024 Annual Audit Plan

Background

The Internal Audit Division is an independent, objective assurance, and consulting body established within the Department of Family and Protective Services (DFPS). Internal Audit plans, develops, and performs internal audit activities, including assurance services, and consulting engagements, also referred to as non-audit services.

The Commissioner and Executive Management Team participate in the development of an annual risk assessment and audit plan that best and most effectively addresses issues of control, risk management, and governance of the agency. The audit plan may include services designed to address one or more of the following areas:

- Achievement of the organization's strategic objectives
- Reliability and integrity of financial and operational information
- Effectiveness and efficiency of operations and programs
- Safeguarding of assets
- Compliance with laws, regulations, policies, procedures, and contracts

DFPS internal auditing activities are conducted in accordance with the Institute of Internal Auditor's *International Standards for the Professional Practice of Internal Auditing*, Government Accountability Office *Generally Accepted Government Auditing Standards (GAGAS)*, and the Institute of Internal Auditor's Code of Ethics.

Audit Projects in Progress

In addition to audits planned for fiscal year (FY) 2024, the Annual Audit Plan (AAP) includes four audit projects in progress as of August 31, 2023. See Table 1 on the following page.

Audit Plan Areas

The Annual Audit Plan identifies planned audit projects and consulting engagements for FY 2024. See Table 2 and Table 4 on the following pages. The AAP also includes other areas Internal Audit has planned a formal review and has allocated direct audit hours for those projects. See Table 3 on the following pages.

Table 1: FY 2024 Audit Projects In-progress

Audit Area	Objectives	Agency Strategic Plan
<p>DFPS Travel Reimbursement Process</p> <p><i>Reporting</i></p>	<p>Objective I: To determine how the advance travel process could be more efficient and whether it meets the travel needs of the agency for the following sub objectives:</p> <ul style="list-style-type: none"> • Analyze causes of delay and returns of travel settlements. • Identify obstacles for APS/CPI/CPS new hires receiving Advance Travel. • Analyze impact of eligibility restrictions for requesting Advance Travel. <p>Objective II: To evaluate DFPS travel claims processes for compliance with timeliness requirements. Also, to assess claims reimbursement process efficiency and to identify opportunities to reduce delays or constraints for the following sub objectives:</p> <ul style="list-style-type: none"> • Identify potential delays in transferring information from CAPPs to the eTravel application. • Analyze potential causes of delayed or returned travel reimbursements. • Analyze the frequency and distribution of claim submissions by the traveler. <p>Objective III: To identify potential improvements to oversight of reviewing and approving claims.</p>	<p>Goal 3: Agency Operations: Strengthen internal processes by analyzing agency operations and identifying areas for more efficient and effective operations.</p>

Audit Area	Objectives	Agency Strategic Plan
IT Staff Augmentation Contractor Controls <i>Reporting</i>	Evaluate the effectiveness of the vendor solicitation and candidate selection processes for IT Staff Augmentation contractors to ensure compliance with relevant Department of Information Resources (DIR) and State of Texas purchasing requirements. Also, determine that process controls in place promote consistency and objectivity in acquiring IT staffing services.	Goal 3: Agency Operations
Ensuring Software Quality <i>Fieldwork</i>	To determine controls are in place to ensure the efficient and effective development of quality software that conforms to functional and non-functional requirements.	Goal 3: Agency Operations
Follow-up on Prior Audit Recommendations <i>Reporting</i>	Determine whether management actions appropriately address DFPS IA prior audit recommendations.	N/A Implementation Status of Prior Audit Recommendations

Table 2: FY 2024 Planned Audits

Audit Area	Preliminary Audit Objectives	Agency Strategic Plan
Legal / Office of Information Security (OIS) – Privacy Controls and Awareness	Determine that DFPS privacy practices are effective and compliant.	Goal 3: Agency Operations
Information Technology Services (ITS) – IT Business Operations (ITBO)	Determine that ITS processes for budgeting and estimation provide reliable, accurate results.	Goal 3: Agency Operations

Audit Area	Preliminary Audit Objectives	Agency Strategic Plan
Concurrent Stages	Assess the effectiveness of concurrent stage process, review alignment of policies/procedures to ensure the process is working as intended	Goal 1: Client-Centered Services: Maximize the safety and well-being of clients, families, and communities we serve through client-centered and evidence-based programs and best practices. Goal 3: Agency Operations
Child Care Investigations	Assess the effectiveness and efficiency of training and alignment with business practices within the Child Care Investigations division operations to ensure processes are working as intended.	Goal 1: Client-Centered Services Goal 3: Agency Operations
Adoption Purchased Services	Assess whether payments made to adoption agencies for administrative costs associated with adoption services are compliant with agency policies.	Goal 1: Client-Centered Services Goal 3: Agency Operations

Table 3: FY 2024 Other IA Project Areas

Project Area	Preliminary Objectives	Agency Strategic Plan
Information Technology (IT) Risk Assessment	Assess agency information technology risks by identifying risk events and potential impacts in DFPS IT environment.	Goal 3: Agency Operations
Follow-up on Prior Audit Recommendations	Determine whether management actions appropriately address DFPS IA prior audit recommendations.	N/A Implementation Status of Prior Audit Recommendations

Consulting Services

Consulting services may be conducted as requested by Executive Management. Through agency reorganization, Internal Audit division resources budgeted to complete consulting engagements in FY 2023 transitioned to another division. This realignment was reflected in the FY 2023 Amended Annual Audit Plan. Internal Audit has allocated 1,000 hours for consulting engagements to be performed during FY 2024. Specific consulting project areas will be determined throughout the year based on identified agency and/or divisional need and discussions with or requests from agency leadership. See Table 4 below for planned consulting services.

Table 4: FY 2024 Consulting Projects Planned

Consulting Area	Preliminary Objective	Agency Strategic Plan
Impact of Technology Debt	In coordination with ITS and OIS, evaluate the impact of obsolete, unsupported systems on program and administrative functions.	Goal 3: Agency Operations

Allocation of Staff Hours

Internal Audit allocated direct staff hours available for each of the Annual Audit Plan areas as listed in Table 5 below.

Table 5: Allocation of Staff Hours to Audit Engagements and Consulting Services

FY 2024 Engagements	Staff Hours
Available Hours	7,900 ¹
Audits In-progress (FY 2023)	800
Planned Audits	5,100
Other IA Project Areas	1,000
Consulting Services	1,000

¹ Total direct audit project hours based on 4 auditors, 1 IT auditor, 1 audit manager, 1 IT audit manager, and 1 assistant director; minus hours designated for updating IA policies and procedures to comply with new IIA Standards and developing IA Strategic Plan; figure rounded to the nearest hundred.

Audit Plan Revisions

The FY 2024 Annual Audit Plan can be revised as needed to adjust for emerging issues and resource availability. Deviations from the audit plan must be documented and significant deviations approved by the Commissioner. If a change is made to the annual audit plan, a copy of the amended plan must be submitted to oversight agencies during Internal Audit’s annual reporting process.

Risk Areas Not Included in the Plan

Additional risk areas were identified in the risk assessment process and could be added to the annual audit plan as projects are completed and resources become available (see Table 6 below). Alternately, management could take steps to review controls in these areas.

Table 6: FY 2024 Risk Areas Not Included in the Plan

Risk Area	Potential Objectives	Agency Strategic Plan
Business Continuity and Disaster Recovery	Assess agency business continuity and disaster recovery processes to minimize risk.	Goal 3: Agency Operations
Child Watch Expenditures	Review agency expenditures associated with child watch to determine whether controls in place are appropriate to optimize effective spending of agency funds.	Goal 1: Client-Centered Services Goal 3: Agency Operations
Program Quality Assurance	Review quality assurance processes in place for key agency programs and determine whether processes are efficient, effective and working as intended.	Goal 1: Client-Centered Services Goal 3: Agency Operations

Other Internal Audit Activities

- Training & staff development (CPE)²
- Internal Audit Annual Report³
- Internal Audit staff meetings
- Risk Assessment and Annual Audit Plan for fiscal year 2025
- External audit coordination – Internal Audit provides an external audit liaison service that includes coordinating and providing a single point of contact for all audits of DFPS by external audit entities
- Legislative coordination
- Internal Audit quality assurance and improvement program
- Internal Audit policies and procedures update to comply with new IIA Standards
- Development of Internal Audit Strategic Plan
- Project sponsor for University of Texas at Austin IA Student group Spring 2024 semester

Internal Audit also participates in committees and workgroups in an advisory role, such as:

- Executive Team Meetings
- Texas Family and Protective Services Council
- IT Governance Meetings
- Accessibility Workgroup
- Legislative Workgroup
- State Agency Internal Audit Forum (SAIAF)

Approval of FY2024 Audit Plan
(Original signatures on file with
Internal Audit Division)

 9/27/23

 Signature Date

Commissioner
Title

 09/27/2023

 Signature Date

Chief Audit Officer
Title

² Professional standards require internal auditors to obtain 40 hours of continuing professional education yearly. Additional hours have also been allocated for staff intending to sit for professional certification exams during the year.

³ Preparation of an annual report is required in accordance with the Texas Internal Auditing Act.

Risk Assessment Methodology

In August 2023, an agency-wide risk assessment survey was sent to all employees to submit input for the purposes of assessing risks on agency activities and its functions for the risk assessment process.

The Internal Audit Division interviewed Executive Management and other division leadership during August 2023, to discuss potential risk issues for their respective divisions and gain their perspective on the agency's areas of highest risk. The results from these communications and the risk factors below were used by Internal Audit when identifying activities and functions to include in the annual audit plan:

- Governance and Culture
- Strategy and Objective Setting
- Performance
- Risk and Revision
- Information, Communication, and Reporting
- Executive Management Input and Other Considerations

Auditing standards require the Chief Audit Officer to communicate periodically to senior management on significant risk exposures, control issues, corporate governance issues, and other matters as appropriate. By communicating these high-risk areas, management has the opportunity to review and assess operations to mitigate risk. The audit plan is one of the mechanisms used to communicate risk exposures.