



TEXAS
Department of Family
and Protective Services

Fiscal Year 2027
Annual Audit Plan
Internal Audit Division

September 2026

Fiscal Year 2027 Annual Audit Plan

Background

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

The Commissioner and Executive Management Team participate in the development of an annual risk assessment and audit plan that supports the evaluation and improvement of the agency's control, risk management, and governance processes. The risk assessment included an employee wide survey, interviews with programs, and review of reports and internal and external audits. Risks were rated based on impact and likelihood. The audit plan was created to address risk and align with agency strategic objectives.

DFPS internal auditing activities are conducted in accordance with the Institute of Internal Auditor's *Global Internal Audit Standards*[™] and the Government Accountability Office *Generally Accepted Government Auditing Standards* (GAGAS).

Annual Audit Plan Areas

Planned Engagements

The Annual Audit Plan (AAP) identifies planned assurance and advisory engagements for FY 2027, see Table 1.

Internal Audit Projects in Progress

The Annual Audit Plan includes three internal audit projects in progress as of August 31, 2026. See Table 2 on the following pages.

Advisory Services

Advisory services may be conducted as requested by Executive Management. Internal Audit has allocated 1,775 hours for any unplanned advisory engagements to be performed during FY 2027. 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. Planned advisory services are included in Table 1.

Other Internal Audit Project Areas

The Annual Audit Plan also includes other Internal Audit project areas that are allocated direct staff hours for FY 2027. See Table 3 on the following pages.

Table 1: FY 2027 Planned Engagements

Project Area	Preliminary Objectives	Agency Strategic Plan
Office of Information Security (OIS) – Privacy Controls and Awareness Advisory Engagement <i>Carry forward from FY26 AAP</i>	Determine that DFPS privacy practices are effective and compliant.	Goal 1: Client-Centered Services Goal 3: Effective and Efficient Operations
APS Tuition Reimbursement Audit <i>Carry forward from FY26 AAP</i>	Evaluate process controls in place to ensure APS tuition reimbursements are accurate and compliant with agency policies.	Goal 2: Workforce Recruitment, Retention, and Development
FMLA Review Process and Monitoring Controls Audit* <i>Carry forward from FY26 AAP</i>	Assess the efficiency and effectiveness of process controls in place for reviewing and monitoring employee Family and Medical Leave Act (FMLA) eligibility.	Goal 2: Workforce Recruitment, Retention, and Development Goal 3: Effective and Efficient Operations
Rainbow Rooms Process and Controls Advisory Engagement	Identify and assess DFPS processes and controls for managing resources and fostering key partnerships for rainbow room resource centers.	Goal 1: Client-Centered Services Goal 3: Effective and Efficient Operations Goal 4: Community Relations
Non-Agency Employment Advisory Engagement	Determine whether DFPS employees complied with applicable requirements governing non-agency employment.	Goal 2: Workforce Recruitment, Retention, and Development Goal 3: Effective and Efficient Operations

Project Area	Preliminary Objectives	Agency Strategic Plan
Asset Management Audit	Determine whether DFPS has processes and related controls to ensure that assets are managed in accordance with applicable requirements.	Goal 3: Effective and Efficient Operations
Accessibility Requirements Audit*	Determine whether DFPS has processes and related controls to ensure that software meets accessibility requirements.	Goal 1: Client-Centered Services Goal 3: Effective and Efficient Operations
Selected Contract Management Functions Audit*	Determine whether DFPS administers selected contract management functions in accordance with applicable requirements.	Goal 1: Client-Centered Services Goal 3: Effective and Efficient Operations

* Identifies engagements that will be started based on completion of other Internal Audit (IA) projects and availability of IA resources. In addition, ongoing assessment of agency risks and changes in management priorities during the fiscal year could result in adjustments to IA planned engagements.

Table 2: FY 2026 On-going Engagements

Project Area	Objectives	Agency Strategic Plan
DFPS/SSCC Data Alignment Audit <i>Reporting</i>	Determine the reliability of the initial transfers of cases to SSCCs for placement, and that required plans of service for children under the care of SSCCs are timely and complete as recorded in IMPACT.	Goal 3: Effective and Efficient Operations Goal 5: Community-Based Care
Audit of Day Care Services Process and Monitoring Controls <i>Reporting</i>	Assess the efficiency and effectiveness of process controls in place for authorizing, monitoring, and payment processing for day care services. Determine whether appropriate and consistent documentation is retained to support day care service eligibility determinations in compliance with agency policies and procedures.	Goal 1: Client-Centered Services Goal 3: Effective and Efficient Operations
DFPS Technology Solution Services (TSS) Vendor Readiness Review Advisory Engagement <i>Fieldwork</i>	Identify DFPS processes and controls for identifying, coordinating, escalating, remediating, and communicating project risks or issues to the Department of Information Resources (DIR) Technology Solution Services (TSS) Vendor for Case Management System and the DIR Vendor Manager. Assess the design of controls to identify, coordinate, escalate, remediate, and communicate project risks or issues to the TSS vendor and DIR Vendor Manager. Identify control strengths, weaknesses, potential gaps, associated risks, and provide suggestions to strengthen controls or reduce risk.	Goal 3: Effective and Efficient Operations

Table 3: FY 2027 Other IA Project Areas

Project Area	Preliminary Objectives
FY 2026 Internal Audit Annual Report	Complete an Annual Report as required by the Texas Internal Auditing Act based on the form and content prescribed by the Texas State Auditor's Office.
Follow-up on Prior Audit Recommendations	Determine whether management actions appropriately address DFPS IA prior audit recommendations.
System of Quality Management	Implement a system of quality management incorporating activities to comply with GAGAS.
Quality Assurance Improvement Program	Ongoing monitoring and periodic self-assessment for conformance with the <i>Standards</i> , as well as updating practices.
Risk Assessment and Annual Audit Plan for FY 2028	Conduct an annual agency-wide risk assessment and develop the FY 2028 Annual Audit Plan.

Internal Audit Resources

Internal Audit allocated direct staff hours available for each of the Annual Audit Plan areas as listed in Table 4. Internal Audit FY 2027 division budget includes funding for FTEs, travel, training, and other miscellaneous expenses. The IA division has appropriate information technology resources to support the IA process, including audit management software and data analytics tools.

Table 4: Allocation of Staff Direct Internal Audit Project Hours

FY 2027 Engagements	Staff Hours
Available Hours	10,375¹
Audit Projects In-progress (FY 2026)	800
Planned Assurance Engagements	5,000
Planned Advisory Services	2,000
Unplanned Advisory Services	1,775
Other IA Project Areas	800

Audit Plan Revisions

The FY 2027 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 must be 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 as required per Texas Government Code Section 2102.0091.

High-Risk Areas Not Included in the Plan

Additional high-risk areas identified from the risk assessment process are listed below and could be added to the annual audit plan as projects are completed and resources become available.

- Placement Capacity
- Financial Processes
- Background and Search Services
- Program Area Policies / Processes

¹ Total direct internal audit project hours based on 5 internal auditors, 1 IT auditor, 1 audit coordinator, 1 IT audit manager, and 1 assistant director; adjusted to account for expected vacancies for internal auditors during FY 2027; figure rounded to the nearest hundred.

Other Internal Audit Activities

- Training & staff development (CPE)²
- Internal Audit staff meetings
- 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

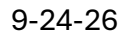
Internal Audit also participates in committees and workgroups in an advisory role, such as:

- Executive Team Meetings
- IT Governance Committee
- Accessibility Workgroup
- DFPS Artificial Intelligence Center of Excellence
- Case Management Planning Project Executive Steering Committee
- ITS Monthly Project Snapshot Meetings
- Critical Projects Meetings
- State Agency Internal Audit Forum (SAIAF)

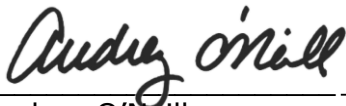
Approval of FY 2027 Audit Plan



Anna Howe
Chief Audit Officer



Date



Audrey O'Neill
DFPS Commissioner



Date

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.