



# Texas Department of Family and Protective Services

**Commissioner**  
*Jaime Masters, MS, MFT*

October 20, 2022

## DFPS REPORT/PUBLICATION CLEARANCE REQUEST

### MEMORANDUM FOR THE COMMISSIONER

FROM: Chance R. Watson  
Chief Audit Officer

SUBJECT: Request Approval of DFPS' 2022 Internal Audit Annual Report

#### **Purpose**

To request your approval of DFPS' Fiscal Year 2022 Internal Audit Annual Report. Approval is respectfully requested by October 27, 2022.

#### **Background**

The Texas Internal Auditing Act (Texas Government Code, Chapter 2102, or the Act) requires state agency internal audit divisions to submit an internal audit annual report each year to the Governor, the Legislative Budget Board, the State Auditor's Office (SAO), and the entities' governing boards and chief executives.

The SAO is charged with prescribing the form and content of that annual report. In compliance with that mandate, the SAO sets forth guidelines to assist in preparing the internal audit annual report.

The purpose of the internal audit annual report is to provide information on the assurance services, consulting services, and other activities of the internal audit function. In addition, the annual report assists oversight agencies in their planning and coordination efforts.

#### **Summary**

DFPS Internal Audit has prepared its Fiscal Year 2022 Internal Audit Annual Report using the guidelines established by the SAO.





**TEXAS**  
Department of Family  
and Protective Services

# **Internal Audit Annual Report**

**Fiscal Year 2022**

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October 2022

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# Executive Summary

This report provides information about the activities of the Internal Audit function within the Department of Family and Protective Services (DFPS). Internal auditing is an independent assurance and consulting activity designed to improve an organization's operations by assessing and making recommendations to enhance the effectiveness of risk management, control, and governance processes.

Key internal audit activities for fiscal year (FY) 2022 and planned work during FY 2023 are described in this report. Annual audit plans are based on an agency wide risk assessment developed with input obtained through surveys and interviews with executives and management, as well as auditor assessment.

This report fulfills annual reporting requirements in the Texas Internal Auditing Act (*Texas Government Code*, Sections 2102.009, 2102.0091, and 2102.015) and is aligned with State Auditor's Office guidelines that prescribe the form and content of the annual report. In accordance with requirements, DFPS will make the report, which includes the FY 2023 Annual Audit Plan, available on its publicly accessible website.

For further information about the contents of this report and Internal Audit activities, please contact Chance Watson, DFPS Chief Audit Officer, by email at [Chance.Watson@dfps.texas.gov](mailto:Chance.Watson@dfps.texas.gov) or by telephone at (512) 929-6821.

## I. Compliance with Texas Government Code, Section 2102.015

In November 2022, DFPS will post on the agency's public website the FY 2022 Internal Audit Annual Report, which includes the approved FY 2023 Annual Audit Plan. The DFPS Internet site is located at: <http://www.dfps.state.tx.us/>.

The Annual Audit Report (see Section II) summarizes the FY 2022 Internal Audit recommendations for each audit and reports on the progress towards the implementation of those recommendations.

The FY 2023 Annual Audit Plan was approved by the DFPS Commissioner on October 12, 2022 and will be posted to the agency's public website, no later than November 11, 2022.

## II. Internal Audit Plan for FY 2022

Audit Project	Project Status
Identity and Access Management Audit Report: 2020-02	Completed Report Date: February 10, 2022
Child Safety Specialist Secondary Case Review Process Audit Report: 2021-04	Completed Report Date: June 1, 2022
Follow-up on Prior Audit Findings Report: 2021-01	Status – Reporting Phase  Carried Forward to FY 2023 Annual Audit Plan
Human Resources Audit	Status – Reporting Phase  Carried Forward to FY 2023 Annual Audit Plan
Third Party Access to DFPS Data	Status – Fieldwork Phase  Carried Forward to FY 2023 Annual Audit Plan
Family-Based Safety Services Concurrent Stages	Carried Forward to FY 2023 Risk Areas not included in the Plan.

Audit Project	Project Status
Budget	Carried Forward to FY 2023 Audit of DFPS Travel Reimbursement Process
Data & Decision Support Data	Carried Forward to FY 2023 Consulting engagement of Data and Systems Improvement

***Identity and Access Management Audit (2020-02)***

Internal Audit determined that the processes to add and change employee access generally occurs within a timeframe that reduces risk. Internal Audit identified opportunities for improvement in the process to remove employee access as well as identified opportunities to improve the controls and increase the efficiency in the process to change employee roles in the agency.

Additionally, Internal audit recommended that the Identity and Access Management team, in conjunction with Application and Data Support and Information Security, incorporate the following changes to improve efficiency and reduce risk.

- Continue its efforts to reduce the time between the departure of an employee and the removal of their access to DFPS information assets.
- Monitor the improvement to the process to track the temporary extension of access for employees changing roles within the agency.
- Identify and implement processes to improve the efficiency in granting complete access to new roles when employees change roles in the agency.

***Child Safety Specialist Secondary Case Review Process Audit (2021-04)***

Internal Audit (IA) identified opportunities to strengthen consistency and efficiency of Child Safety Specialist (CSS) reviews through clarification of guidelines and expectations related to assessing child safety and appropriate case closure for cases meeting criteria for CSS secondary review. Leadership within Office of Accountability (OOA) and Child Protective Investigations

(CPI) had already begun to collaborate to clarify expectations in response to changing policies and legislation that will address some situations identified during this audit which cause confusion, inconsistency, or inefficiency. IA recommended further action to promote consistency of decisions within CSS and CPI through a clearly defined framework of CSS expectations for casework and related documentation to address child safety within the stages of Investigations and Alternative Response.

Internal Audit recommended that CSS, in conjunction with CPI and the Office of Data & Systems Improvement (ODSI), incorporate the following changes to promote consistent and efficient actions to ensure child safety in the highest-risk investigation and alternative response cases being closed without agency services:

- Continue its efforts to standardize decision-making through development of a CSS secondary review framework that can be used as a reference for CSS and CPI.
- Make enhancements to the design, data entry, and use of information for monitoring CSS secondary reviews.
- Implement systematic processes to monitor completion of CSS recommendations and to collect feedback from CPI on the quality and consistency of CSS decisions and recommendations.

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

Consulting engagements and non-audit projects may be conducted at the request of executive management. These services are a means of assessing risk quickly for management and providing feedback on potential weaknesses and related opportunities for improvement. This approach often allows management to address issues proactively before launching systems or newly developed processes. The following table identifies the consulting services and non-audit services completed during FY 2022.

Consulting Service or Non-audit Service	Project Status
Office of Consumer Relations (OCR) Reports	Completed Issued: April 2022



Consulting Service or Non-audit Service	Project Status
APS Practice Model	Completed Completion Date: January 2022
Worker Safety	Completed Report issued: March 2022
Preparation for Adult Living (PAL) Life Skills Reimagined	Completed Completion Date: April 2022
CPS Title IV-E Stipend Program	Completed Participated: April 2022
Employee Recognition Ceremony and Promotion Broadcasts	Completed Coordinated: April 26, 2022 and July 26, 2022
DFPS Director Team Meeting	Completed Facilitated: January 18, 2022, April 19, 2022, and July 19, 2022

Consulting Service or Non-audit Service	Project Status
Governor’s Committee on People with Disabilities	Completed Participated: October 27, 2021 and January 27, 2022
Quality, Process Improvement, and Innovation (QPII) State Agency Coordinating Committee (SACC)	Completed Participated: September 9, 2021, October 22, 2021, November 19, 2021, December 16, 2021, January 20, 2022, March 25, 2022, and August 25, 2022
Grant Management Coordination	Completed Participated: April 2022
APS District Review of Austin/ El Paso District	Status – Reporting Phase Carried Forward to FY 2023 Annual Audit Plan
Community-Based Care (CBC)	Removed from the FY 2022 Annual Audit Plan – Project sponsor withdrew request

**Office of Consumer Relations (OCR) Reports**

Management Consulting Group (MCG) provides a quarterly report of trends and patterns in substantiated complaints based on the OCR's monthly substantiated complaints logs. The complaints concern policy violations that OCR staff research to determine whether the complaint should be substantiated.

MCG staff produced this report on a quarterly basis, with an annual report included at the end of the fiscal year. Responsibility for this report transferred to the Office of Internal Affairs in 4/2022. MCG released the final 4<sup>th</sup> quarter and annual report for fiscal year 2021 before the transfer.

### ***APS Practice Model***

MCG assisted APS in developing a communication plan for the new practice model being rolled out to the field.

### ***Worker Safety***

MCG interviewed Worker Safety Support (WSS) staff and fielded an agency-wide survey to assist agency management in planning future strategic goals for the division. The WSS Survey Final Report was issued in March 2022. The project concluded 5/31/2022.

### ***Preparation for Adult Living (PAL) Life Skills Reimagined***

MCG provided project management and meeting facilitation to a workgroup pursuing improvements to the Preparation for Adult Living (PAL) program, which helps youth aged 16-21 develop the knowledge and skills to successfully transition to adulthood. MCG's involvement in this project concluded on 4/2022. Engagement was workgroup support only, no other final deliverable.

### ***CPS Title IV-E Stipend Program***

MCG provided project management and meeting facilitation to create and implement procedures for a more seamless transition of the CPS Title IV-E Stipend program. MCG's involvement in the project concluded on 4/2022. A stipend program flowchart was created and provided as the final deliverable.

### ***Employee Recognition Ceremony and Promotion Broadcasts***

Awards ceremony and recognition for DFPS staff and agency partners for promotions and contributions to protecting children and families. MCG's goal is to support the continued growth of the initiative.

MCG staff facilitated the ceremony events on 4/26/2022 and 7/26/2022 only, as earlier scheduled events were not held due to pandemic restrictions. Monthly promotion broadcasts were sent throughout the fiscal year.

### ***DFPS Director Team Meeting***

DFPS Operations identified the need for better executive-level coordination of the various initiatives being implemented across the agency to break down silos and create a cohesive culture.

MCG facilitated this meeting on 1/18/2022, 4/19/2022, and 7/19/2022.

### ***Governor's Committee on People with Disabilities***

MCG represents DFPS on the Committee. Committee serves as central source of information and education on the abilities, rights, problems, and needs of Texans with disabilities.

MCG staff attended the 10/27/2021 and 1/27/2022 meetings. Responsibility for this committee transferred to the Government Relations team ahead of the 5/5/2022 meeting.

### ***Quality, Process Improvement and Innovation (QPPI) State Agency Coordinating Committee (SACC)***

Quality, Process Improvement and Innovation (QPPI) subcommittee of the State Agency Coordinating Committee (SACC) examines administrative and management practices, reviews problems or issues that have an impact across agency lines, and encourages and fosters management practices that are beneficial and cost effective for all state agencies.

MCG staff attended multiple meetings throughout FY2022.

### ***Grant Management Coordination***

MCG provides grant coordination services for DFPS. This project includes the Grants Workgroup and Annual Grant Reports responsibilities. There has been no activity since 4/2022. Grants management and coordination is in the process of being transferred to a more appropriate division in the agency.

## IV. External Quality Assurance Review

An external peer review of DFPS Internal Audit was conducted in FY 2020, in accordance with professional standards, using the State Agency Internal Audit Forum (SAIAF) Peer Review guidelines. The primary objective of the quality assurance review was to evaluate Internal Audit's compliance with auditing standards and the Texas Internal Auditing Act. Additional objectives included identifying best practices as well as areas where improvements may be needed. The review covered all completed audit and management assistance projects performed by Internal Audit from September 2016 through August 2019.

Tammara West, CIA, CGAP, CRMA, Assistant Audit Manager, Department of Public Safety was the SAIAF Peer Review Team Leader. Other members of the team included Katambra Rose, Senior Internal Auditor, Department of Public Safety and Jennifer Wu, Information Technology Auditor, Department of Public Safety.

*Excerpt from "Report on the External Quality Assurance Review of the Department of Family and Protective Services Internal Audit Department" January 2020.*

### OVERALL OPINION

"It is our opinion that the Department of Family and Protective Services (DFPS) Internal Audit Department (IAD) receives a rating of **"Pass/Generally Conforms"** and is in compliance with the Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing and Code of Ethics, the United States Government Accountability Office (GAO) Government Auditing Standards, and the Texas Internal Auditing Act (Texas Government Code, Chapter 2102). This opinion, which is the highest of the three possible ratings, means that policies, procedures, and practices are in place to implement the standards and requirements necessary for ensuring the independence, objectivity, and proficiency of the IAD.

The IAD is independent, objective, and able to render impartial and unbiased judgments. Staff members are qualified, proficient, and knowledgeable in the areas they audit. Individual audit projects are planned using risk assessment techniques; audit conclusions are supported by working papers; and findings and recommendations are communicated clearly and concisely. The IAD is well managed, has effective relationships with the Acting Commissioner, and is well respected and supported by management. Surveys and interviews conducted during the quality assurance review indicate the IAD is integrated into the agency and is a useful part of its operations. In addition, audit processes and report recommendations add value and improve the agency.

The IAD has reviewed the peer review team's results and has accepted them to be an accurate representation of the IAD's operations."

## V. Internal Audit Plan for FY 2023

The approved FY 2023 Annual Audit Plan includes projects in the tables below. The Annual Audit Plan may be revised as needed to adjust for emerging issues and risks, and changes in resource availability. Any modifications to the Annual Audit Plan must be approved by the Commissioner and will be presented to the DFPS Executive Team for informational purposes.

Internal Audit has allocated 16,000 budgeted hours to projects in the FY 2023 Annual Audit Plan, 8,000 for audits and 8,000 for consultant engagements. The FY 2023 budgeted hours is based on 4 auditors, 2 IT auditors, 6 consultants, 1 consulting manager, 1 audit manager, and 1 assistant director which totaled 16,000 hours.

Audit Area	Audit Objectives
Human Resources Hiring Process Audit  Reporting  Carried Forward from FY 2022 Annual Audit Plan	Assess whether DFPS Human Resources’ hiring process is efficient and whether the policies and procedures in place support consistent and effective hiring processes.  Assess whether the organizational alignment of certain workforce management and employment activities effectively support DFPS Human Resources.
Follow-up on Prior Audit Recommendations  Reporting  Carried Forward from FY 2022 Annual Audit Plan	Determine whether management actions appropriately address DFPS IA audit recommendations.

Audit Area	Audit Objectives
<p>Third-Party Access to DFPS Data</p> <p>Fieldwork</p> <p>Carried Forward from FY 2022 Annual Audit Plan</p>	<p>Determine that controls over third parties that are granted access to DFPS confidential data, both through data exchanges and access to DFPS systems, are sufficient to reduce risk. Also, determine that data exchanges are compliant with applicable laws, regulations, agreements, and policies.</p> <p><b>Objective I:</b> Determine that DFPS data exchanged with third parties through routine automated processes are protected to maintain the data’s confidentiality, integrity, and availability and follow applicable laws, regulations, agreements, and policies.</p> <p><b>Objective II:</b> Determine that appropriate and compliant controls are in place to manage third-party access to systems maintained and secured by DFPS.</p> <p><b>Objective III:</b> Determine that controls over other methods of sharing DFPS’s confidential data with third parties are sufficient to reduce risk and meet compliance requirements.</p>
<p>Prioritizing IT Project Portfolio</p>	<p><i>Preliminary Objective:</i> To determine that processes used to evaluate and prioritize IT project requests from program and operational areas are efficient, effective, and meet agency needs. The review may include project estimation methods, requirements discovery, and collaboration with operational or program areas.</p>
<p>Ensuring Software Quality</p>	<p><i>Preliminary Objective:</i> To determine that the processes used to ensure the quality and security of in-house developed software are operating as intended. Processes to be reviewed include testing, quality assurance, documentation, and user acceptance.</p>
<p>IT Staff Augmentation Contract Controls</p>	<p><i>Preliminary Objective:</i> To assess the effectiveness of DFPS solicitation, evaluation and selection process for IT staff augmentation contracts and ensure IT staffing services are acquired in accordance with applicable policies and requirements.</p>

Audit Area	Audit Objectives
DFPS Travel Reimbursement Process	<i>Preliminary Objective:</i> Evaluate the DFPS travel reimbursement process and identify opportunities to gain process efficiencies and reduce the time to reimburse agency employees.
DFPS Internal Audit Self-Assessment and External Quality Assurance Review	<i>Preliminary Objective:</i> Evaluate DFPS Internal Audit function’s compliance with auditing standards and the Texas Internal Auditing Act.
Follow-up on Prior Audit Recommendations	<i>Preliminary Objective:</i> Determine whether management actions appropriately address prior audit recommendations.

Consulting services may be conducted as requested by Executive Management. Internal Audit has allocated 8,000 hours for consulting engagements to be performed during FY 2023. 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.

Consultant Area	Engagement Objectives	Comments
APS District Review of Austin/ El Paso District	Conduct a holistic review of regional functional areas of processes, personnel, performance, and community engagement.	Reporting Phase  Carried Forward from FY 2022 Annual Audit Plan
Business Continuity Planning	Assess the organization’s resilience and ability to continue with essential business functions in the event of an emergency until normal business operations are available.	Reporting Phase  Carried Forward from FY 2022 Annual Audit Plan



Consultant Area	Engagement Objectives	Comments
Placement Process	Review and assess the current placement documentation process to identify inconsistencies in response to the external efficiency audit.	Reporting Phase  Added to the FY 2022 Annual Audit Plan, utilizing the 1,000 hours budgeted for consulting engagements requested.  Carried Forward from FY 2022 Annual Audit Plan
CLOE LAM Training Assessment	Assess leadership development training to identify gaps in services to meet the needs.	Reporting Phase  Carried Forward from FY 2022 Annual Audit Plan
FBCE Business Plan Prep Consultation	Prepare FBCE regional coordinators to operationalize relevant portions of the PCW division’s strategic plan into a business plan of action steps.	Reporting Phase  Carried Forward from FY 2022 Annual Audit Plan
Budget Analyst Task Inventory	Assess budget analyst task to enhance how the budget division supports the agency and identify opportunities to improve support delivery services.	Reporting Phase  Carried Forward from FY 2022 Annual Audit Plan
APS District Review	<i>Preliminary Objective:</i> Conduct a holistic review of regional functional areas of processes, personnel, performance, and community engagement.	

Consultant Area	Engagement Objectives	Comments
Data and Systems Improvement	<i>Preliminary Objective:</i> Assess data interoperability with agency partners and identify opportunities for improvement.	
Human Resources	<i>Preliminary Objective:</i> Evaluate and assess the agency’s retention efforts and identify opportunities to increase staff retention, such as competitive salaries, raises, training and development and advancement.	
Operations	<i>Preliminary Objective:</i> Assess the overlap of information provided to program support’s regional office coordinators (ROCs) and via the eMAC system to identify opportunities for efficiency.	
Information Technology	<i>Preliminary Objective:</i> Assess the process for disabling terminated employees to establish a more efficient account disabling practice and ensure security compliance aligns with policies and practice.	
Executive	<i>Preliminary Objective:</i> Evaluate the agency’s strategic planning process and practices to ensure alignment of program plans with agency plans. Assess process for follow-up and accountability of plan strategies.	
Operations	<i>Preliminary Objective:</i> Assess the cost-efficiency suggestions collected in accordance with Texas Government Code §2054.124 for process improvement opportunities.	

Consultant Area	Engagement Objectives	Comments
Employee Recognition Ceremony and Promotion Broadcasts	Coordinate all aspects of the quarterly and monthly awards ceremony and recognition efforts for DFPS staff and agency partners.	
DFPS Director Team Meeting	Facilitate a quarterly director-level meeting to improve coordination of the various initiatives being implemented across the agency to break down silos and create a cohesive culture.	
Quality, Process Improvement and Innovation (QPII) State Agency Coordinating Committee (SACC)	Represent the agency on the subcommittee that examines administrative and management practices, review problems or issues that have an impact across agency lines and encourages and fosters management practices that are beneficial and cost effective for all state agencies.	
DFPS MCG Internal Assessment and Improvement	Assess internal consulting operations for continuous improvement to meet agency needs.	

**Other Internal Audit Activities**

Other Internal Audit Activities include the following:

- Training and staff development (CPE)
- Internal Audit Annual Report
- Internal Audit and Management Consulting staff meetings
- Risk Assessment and Annual Audit Plan for FY 2024

- 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 (e.g., CLA, SAO, etc.)
- Legislative Coordination
- Internal Audit quality assurance and improvement program
- Project sponsor for University of Texas at Austin IA Student group Spring 2023 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
- Critical Case Meetings
- DFPS Wellness Council
- Accessibility Workgroup
- Legislative Workgroup
- Data and Information Governance
- State Agency Internal Audit Forum (SAIAF)

## **Risk Assessment Methodology**

In July 2022, the Internal Audit Division sent an agency-wide risk assessment survey to all DFPS 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 division leadership from June to July 2022, 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

The results of the scoring were used to identify the activities and functions that were included in the FY 2023 Annual Audit Plan.

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.

## **Methods for Ensuring Compliance with Contract Processes and Controls**

**The following methods are used to ensure compliance with contract processes and controls for monitoring agency contracts, according to Texas Government Code, Section 2102.005(b):**

DFPS has established a Contract Oversight and Support (COS) division/department that oversees the following:

- Specialized Monitoring Plan (SMP) - a specialized, risk-based plan is used to identify and track risk-based monitoring requirements and the progress of monitoring efforts for DFPS contracts.
- The System of Contracting Operation and Reporting (SCOR), the official contracting system is utilized to manage administrative and client service contracts and is the agency's system of record for reporting requirements.

DFPS Prevention & Early Intervention (PEI) and Purchased Client Services (PCS) Contract divisions/departments oversees the following:

- Contract Managers are in place for each contract.
- Processes include documenting and communicating monitoring results to the appropriate areas which may include the contractor, program, and executive management.
- Monitoring (i.e., performance, financial, desk reviews, on-site visits) is performed through review of monitoring schedules or reports.

DFPS Internal Audit division/department oversees the following:

- Internal and external audits related to contract monitoring are performed.

## **High Risk Areas Not Included in the Plan**

Additional high-risk areas listed below were identified in the risk assessment process and could be added to the annual audit plan as projects are completed and resources become available. Projects on the plan may also be replaced with projects related to higher risk areas, if there are significant changes to the risk environment during the year.

- Technology Lifecycle Management

- Texas Adoption Resource Exchange (TARE)
- Family-Based Safety Services Concurrent Stages
- Worker Safety for Children Without Placement

DFPS management understands the limitations of audit coverage and the risks assumed by management in the areas not audited and may take steps to review controls in these areas.

## **VI. External Audit Services Procured in FY 2022**

DFPS Internal Audit contracted with MGT of America Consulting, LLC for Efficiency Audit services. The work order timeline: March 1, 2022 to November 1, 2022. The Final report will be distributed to the governor, the Legislative Budget Board, the state auditor, the council, and the chairs of the House Human Services Committee and the Senate Health and Human Services Committee, no later than November 1, 2022. Audit pursuant to H.B. 2374 (Human Resource Code 40.045)

## **VII. Reporting Suspected Fraud and Abuse**

Regarding requirements of the General Appropriations Act, Section 7.09, Fraud Reporting, 86<sup>th</sup> and 87<sup>th</sup> Legislature, the home page of DFPS internet, Internal Audit and Legal Division's intranet pages as well as DFPS Ethics Policy provide instructions for reporting suspected fraud, waste and abuse involving DFPS programs directly to the State Auditor's Office (SAO). The home and intranet pages include a link to SAO fraud hotline information and a link to the SAO website for fraud reporting.

Health and Human Services (HHS) System policy concerning fraud, waste, and abuse was established in HHS Circular C-027, *Health and Human Services System Fraud Waste, and Abuse Reporting, Responsibilities, and Coordination*. The circular includes instructions for reporting suspected fraud, including involving state funds, to both the SAO and the Health and Human Services Commission (HHSC) Office of Inspector General. DFPS Internal Audit coordinates with DFPS General Counsel, the SAO, and the HHSC Office of Inspector General to address the responsibilities of the respective agencies in meeting this requirement.

DFPS Internal Audit also works with the SAO, as well as the HHSC Office of Inspector General, to ensure compliance with investigation coordination requirements in Texas Government Code, Section 321.022.

## Additional Information Related to Contract Audits

To assist the SAO with their assessment under Senate Bill 65, Internal Audit has identified each audit report related to agency contracts and contract processes and controls completed in the last five years (September 1, 2017 through August 31, 2022).

<p>Audit of Quality of Services in CPS Regional Contracts</p> <p>Report: 2015-04 Issued: August 25, 2015</p>	<ol style="list-style-type: none"><li>1) Follow-up Audit Report: Reviewed management action plans for 2 recommendations– 1 Implemented and 1 In-Progress for Report 2015-04. Report: 2017-08 Issued: February 26, 2018</li><li>2) Follow-up Audit Report: Reviewed management action plan for 1 recommendation– 1 Implemented for Report 2015-04. Report: 2020-04 Issued: August 18, 2020</li></ol>
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<p>Audit of Transitional Living Services</p> <p>Report: 2015-05 Issued: December 22, 2015</p>	<p>1) Follow-up Audit Report: Reviewed management action plans for 3 recommendations – 3 Implemented for Report 2015-05. Report: 2017-08 Issued: February 26, 2018</p>
<p>Audit of Child-Specific Contract Processes</p> <p>Report: 2016-06 Issued: December 13, 2016</p>	<p>1) Follow-up Audit Report: Reviewed management action plans for 4 recommendations – 1 Implemented and 3 In-Progress for Report 2016-06. Report: 2017-08 Issued: February 26, 2018</p>
<p>Consulting Engagement on the Structure and Processes of PCS</p> <p>Report: 2018-01 Issued: May 7, 2018</p>	<p>Follow-up Audit Report: N/A</p>
<p>Consulting Engagement for the Review of Prevention and Early Intervention Contract Management</p> <p>Report: 2018-02 Issued: July 2, 2018</p>	<p>Follow-up Audit Report: N/A</p>
<p>IMPACT Modernization Project Management Audit</p> <p>Report: 2019-03 Issued: May 8, 2019</p>	<p>Follow-up Audit Report: Reviewed management action plan for 12 recommendations– 11 Implemented and 1 risk addressed through other actions for Report 2019-03. Report: 2020-04 Issued: August 18, 2020</p>



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<p>Consulting Engagement for Adult Protective Services – Purchased Client Services</p> <p>Report: 2019-05 Issued: August 5, 2019</p>	<p>Follow-up Audit Report: N/A</p>
<p>Consulting Engagement for Substance Abuse Purchased Client Services</p> <p>Report: 2020-01 Issued: May 26, 2020</p>	<p>Follow-up Audit Report: N/A</p>
<p>Consulting Engagement for the Reconciliation Process of Supplemental Payments for 24-hours Awake Supervision</p> <p>Report: 2021-02 Issued: April 28, 2021</p>	<p>Follow-up Audit Report: N/A</p>