



**TEXAS**  
Department of Family  
and Protective Services

**Fiscal Year 2025**  
**Annual Audit Plan**  
**Internal Audit Division**

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September 2024

# Fiscal Year 2025 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 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 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 Plan Areas

### Planned Engagements

The Annual Audit Plan (AAP) identifies planned assurance and advisory engagements for FY 2025. See Table 1 on the following page.

### Advisory Services

Advisory services may be conducted as requested by Executive Management. Internal Audit has allocated 1,000 hours for advisory engagements to be performed during FY 2025. 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.

### Internal Audit Projects in Progress

In addition, the Annual Audit Plan includes four internal audit projects in progress as of August 31, 2024. See Table 2 on the following pages.

### Other Internal Audit Project Areas

The Annual Audit Plan also includes other Internal Audit project areas that are allocated direct staff hours for FY 2025. See Table 3 on the following pages.

Table 1: FY 2025 Planned Engagements

Project Area	Preliminary Objectives	Agency Strategic Plan
Office of Information Security (OIS) – Privacy Controls and Awareness Advisory Engagement  <i>Roll forward from FY24 AAP</i>	Determine that DFPS privacy practices are effective and compliant.	Goal 3: Effective and Efficient Operations: Continually improve internal processes and identify areas for more efficient and effective operations.  Goal 5: Community-Based Care: Transition Texas children and family services to a community-driven system of care.
Concurrent Stages Audit  <i>Roll forward from FY24 AAP</i>	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: Promote the safety of children, families, and vulnerable adults.  Goal 3: Effective and Efficient Operations
Field Office IT Support Audit	Determine that controls are in place to insure reliable equipment and connectivity to DFPS field offices.	Goal 3: Effective and Efficient Operations
Day Care Eligibility Payments Audit	Assess processes and controls to determine eligibility and monitor day care payments. Also, to review processes used to forecast day care payments for potential process improvements.	Goal 1: Client-Centered Services  Goal 3: Effective and Efficient Operations
Purchased Client Services Audit	Determine that DFPS clients are receiving services as procured and that the outcome of the services meets agency requirements and expected outcomes.	Goal 1: Client-Centered Services  Goal 3: Effective and Efficient Operations

IT Help Desk Audit*	Determine that controls are in place and working to ensure the efficient and effective response to requests for IT help. Determine responses and resolutions occur on a timely basis.	Goal 3: Effective and Efficient Operations
Child Placements Audit*	Assess the efficiency and effectiveness of the child placement search process.	Goal 1: Client-Centered Services  Goal 3: Effective and Efficient Operations

\* Identifies assurance 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 2025 Internal Audit Projects In-progress

Project Area	Objectives	Agency Strategic Plan
Adoption Purchased Services Audit  <i>Reporting</i>	Objective 1: Assess whether payments made to adoption agencies for administrative costs associated with adoption services are compliant with the agency’s established contractual guidelines.  Objective 2: To evaluate the accuracy and completeness of budget forecasting for adoption purchased services.	Goal 1: Client-Centered Services  Goal 3: Effective and Efficient Operations
Ensuring Software Quality Audit  <i>Reporting</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: Effective and Efficient Operations
DFPS Procurement Card Process Mapping Advisory Engagement  <i>Planning</i>	Identify and flowchart DFPS procurement card processes and controls.  Perform a review of the design of controls for procurement card processes and identify control area	Goal 3: Effective and Efficient Operations

	weaknesses, potential gaps and associated risks.	
Information Technology (IT) Risk Assessment <i>Planning</i>	Assess agency information technology risks by identifying risk events and potential impacts in DFPS IT environment.	Goal 3: Effective and Efficient Operations

Table 3: FY 2025 Other IA Project Areas

Project Area	Preliminary Objectives
TeamMate+ Implementation & Training, Program Template Updates	Migration to new cloud-based audit management application and update engagement program templates to support the new platform and to comply with new Internal Auditing Standards.
Follow-up on Prior Audit Recommendations	Determine whether management actions appropriately address DFPS IA prior audit recommendations.
Develop Internal Audit Strategy and Performance Measures	Develop an Internal Audit Strategy and performance measures required by the new IIA Global Internal Audit Standards.
Development of IA Continuous Monitoring Process	Identify controls for development of continuous or periodic audit processes focused on leveraging technology to provide management with continuous audit results.
Risk Assessment and Annual Audit Plan for FY2026	Conduct an annual agency-wide risk assessment and develop FY 2026 Annual Audit Plan.
Quality Assurance & Improvement Program (QAIP)	Conduct annual QAIP process for FY 2025, incorporating quality management activities to comply with the new GAGAS requirements. External Quality Assurance Review will be due in FY 2026.

## Allocation of Staff Hours

Internal Audit allocated direct staff hours available for each of the Annual Audit Plan areas as listed in Table 4 below.

Table 4: Allocation of Staff Direct Internal Audit Project Hours

FY 2025 Engagements	Staff Hours
Available Hours	8,600 <sup>1</sup>
Audit Projects In-progress (FY 2024)	1,000
Planned Assurance Engagements	4,600
Advisory Services	1,000
Other IA Project Areas	2,000

## Audit Plan Revisions

The FY 2025 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.

## 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.

- Community-Based Care (CBC)
- Recruitment & Retention
- Office of Data and Systems Improvement (ODSI)
- Work Environment / Worker Safety
- Records Management

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<sup>1</sup> Total direct internal audit project hours based on 4 internal auditors, 1 IT auditor, 1 internal audit manager, 1 IT audit manager, and 1 assistant director; figure rounded to the nearest hundred.

## Other Internal Audit Activities

- Training & staff development (CPE)<sup>2</sup>
- Internal Audit Annual Report<sup>3</sup>
- 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
- Potential project sponsor for University of Texas at Austin IA Student group Spring 2025 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 Committee
- Accessibility Workgroup
- DFPS Artificial Intelligence Center of Excellence
- Case Management Transformation Planning Project Program Advisory Committee
- Case Management Planning Project Executive Steering Committee
- Case Management Transformation Planning Project Point of Contact meetings
- ITS Monthly Project Snapshot Meetings
- Critical Projects Meetings
- State Agency Internal Audit Forum (SAIAF)

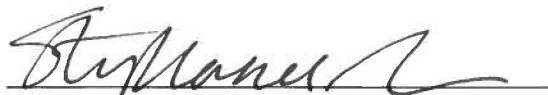
## Approval of FY 2025 Audit Plan



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Chance R. Watson  
Chief Audit Officer

9/19/2024

Date



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Stephanie Muth  
DFPS Commissioner

9/25/2024

Date

<sup>2</sup> 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.

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

## Risk Assessment Methodology

In June 2024, 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 June-July 2024, 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

Internal 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.