

State of Texas

Department of Public Safety

Chief Auditor's Office

Catherine A. Melvin, Chief Auditor



FY2015 Annual Report

October 2015

DPS CHIEF AUDITOR'S OFFICE

MISSION STATEMENT

Our mission is to assist the Department in achieving its operational goals by:

- Using innovative and disciplined methods to objectively evaluate the effectiveness, efficiency, and integrity of Department operations and governance processes.
- Making recommendations to improve operational performance and governance processes.

PUBLIC SAFETY COMMISSION

A. Cynthia Leon, Chairman
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Faith Johnson, Commissioner
Steven P. Mach, Commissioner
Randy Watson, Commissioner

CHIEF AUDITOR'S OFFICE

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Yolanda Hunt, Administrative Assistant

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TEXAS DEPARTMENT OF PUBLIC SAFETY

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October 31, 2015

The Honorable Greg Abbott, Governor
The Legislative Budget Board
The Sunset Advisory Commission
Mr. John Keel, CPA, State Auditor

We are pleased to present the Texas Department of Public Safety Chief Auditor's Office Annual Report for Fiscal Year 2015.

This report fulfills the requirements set forth in the Texas Internal Auditing Act (the Act). As mandated in the Act, the State Auditor's Office prescribes the content. This report has been prepared in accordance with the State Auditor's content requirements and is current through October 31, 2015.

Fiscal year 2015 represented critical efforts for the Chief Auditor's Office. The work performed by Chief Auditor's Office is a key element in assuring accountability, economy, efficiency, and effectiveness within Department operations. The Chief Auditor's Office is committed to being a trusted, independent and objective resource and providing quality internal auditing services. We will aggressively pursue projects in fiscal year 2016 to continue our assistance to the Department in improving controls, reducing risk, and enhancing agency operations.

If you desire further information about the contents of this report or would like to request copies of individual audit reports, please call (512) 424-5711.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Catherine A. Melvin'.

Catherine A. Melvin, CPA, CIA, CLEA
Chief Auditor

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I. Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit information on Internet Web Site.

House Bill 16 (83rd Legislature, Regular Session) amended the Texas Internal Auditing Act (Texas Government Code 2102) to require state agencies and higher education institutions, as defined in the bill, to post internal audit plans, internal audit annual reports, and other information on their Internet Web sites, at the time and in the manner provided by the SAO.

The bill's provisions also require covered entities to post a summary of any "weaknesses, deficiencies, wrongdoings, or other concerns, if any, raised by the audit plan or annual report" and a summary of actions taken "to address the concerns, if any, that are raised by the audit plan or annual report".

The Chief Auditor's Office has complied with this mandate by posting the following on the DPS website:

- FY 2013 Annual Report
- FY 2014 Approved Audit Plan
- FY 2014 Approved Audit Plan Amendment
- FY 2014 Annual Report
- FY 2015 Approved Annual Audit Plan
- FY 2016 Approved Internal Audit Strategy

Upon completion, this report will also be posted on the DPS website. At this time, no weaknesses or concerns have been raised by either the audit plan or the annual report.

II. Compliance with the Benefits Proportionality Audit Requirements for Higher Education Institutions

Not Applicable.

III. Internal Audit Plan for Fiscal Year 2015

IV. Consulting Services and Nonaudit Service Completed

The DPS CAO Internal Audit Plan for Fiscal Year 2015 was approved in the June 12, 2014, PSC Meeting.

Approved Assurance & Advisory Projects	Project #	Project Title	Status
Continuous Audit Protocols	15-002	Continuous Audit Protocol – Driver License	In Progress
Field Administration Audits	15-004	Field Administration Audit	In Progress
Cyber Security	16-103	CyberSecurity Identification	In Progress
Federal Grants Management	15-012	WP 530's – Homeland Security	Complete
	15-013	WP 530's – EMPG	Complete
	15-014	USAS Access Compliance	In Progress
Contracts	15-009	An Internal Audit of Driver License Mailing Services Contract	Report Issued
	16-102	Contract with MicroAssist	In Progress
Follow-Up Audit	16-105	Follow-Up Audit: Cash Management	In Progress
	16-106	Follow-Up Audit: Crime Lab	In Progress
2015 TDEM Conference			Carry Forward to FY16
Performance Measures	15-015	An Internal Audit of Selected Performance Measures	Report Issued
E-Procurement System			Deferred
CAO Semi-Annual Follow-Up	15-008	FY 2015 Follow-up Report on Open Audit Issues	Report Issued
Prompt Payment	15-010	Audit of Prompt Payment Compliance	In Progress
Hiring Process	16-104	Hiring Process	In Progress
Xerox Contract	15-005	Headquarters Copier Services Contract with Xerox Corporation	In Progress
Special Requests & Other Advisory Projects	16-104a	I-9 Compliance	In Progress
	15-201	DLD Qless Billing Project	Complete

Approved Assurance & Advisory Projects	Project #	Project Title	Status
	15-202	<i>Agency Use of Contract Work Orders</i>	Complete
	15-203	<i>Advisory Request – Review of Procurement Compliance</i>	Complete
	15-204	<i>Procurement & Contracts Communications – Purchase Order – Cabling Services</i>	Complete
	15-205	<i>Advisory Request – Limited Scope Review Related to Contract #12-20217</i>	Complete
	15-206	<i>Advisory Request – Payment of Compensatory Time Earned by Exempt Employees during a Declared Disaster</i>	Complete
FY14 Carry-Over Projects	14-08	<i>Audit of Travel Expenditures</i>	Report Issued
	14-11	<i>DPS Salary Study of Non-Commissioned Employees</i>	Report Issued
	14-17	<i>SEFA Advisory</i>	Report Issued
	14-19	<i>Audit of Subrecipient Monitoring: SAA</i>	Report Issued
	14-21	<i>Audit of Subrecipient Monitoring: TDEM</i>	Report Issued
	14-22	<i>Audit of Texas Division of Emergency Management (TDEM) Audit contracts</i>	Report Issued
	14-23	<i>2014 Texas Emergency Management Conference</i>	In Progress
	14-25	<i>Audit of Grants Compliance – Management and Administrative Costs</i>	Report Issued
	14-26	<i>Audit of Grants Compliance - Procurement</i>	Report Issued
	14-27	<i>Audit of Grants Compliance – FFATA Reporting</i>	Report Issued
	14-28	<i>Audits of Grants Compliance-Subrecipient A-133 Audit Reports</i>	Report Issued
	14-29	<i>Audit of Grants Compliance-Payroll Reconciliation Report</i>	Report Issued
External Auditor Liaison	15-502	<i>FY14 Statewide Single Audit</i>	Complete
	15-503	<i>TWC Audit of DPS’ UI Wage Data Access</i>	Complete
	15-504a	<i>FEMA EMPG Monitoring Review/Audit</i>	Complete

Approved Assurance & Advisory Projects	Project #	Project Title	Status
	15-504b	<i>FEMA Homeland Security Monitoring Review</i>	Complete
	15-505	<i>FY15 Statewide Single Audit</i>	Carry Forward to FY16
	15-506	<i>SSA Compliance Review (IEA System Security Requirements)</i>	Complete

V. External Quality Assurance Review (Peer Review)

The DPS Chief Auditor's Office periodically undergoes an external quality assurance review (QAR) as required by professional standards and the Texas Internal Auditing Act. In the most recent QAR, dated January 2012, the office received an overall opinion of "Fully Conforms" which was the highest of possible ratings. The following is an excerpt from that report:

Overall Opinion

Based on the information evaluated during this external quality assurance review, it is our opinion that the Chief Auditor's Office of the Texas Department of Public Safety

Fully Conforms

with the Institute of Internal Auditors Definition of Internal Auditing, Code of Ethics, and the *Internal Standards for the Professional Practice of Internal Auditing*; the United States Government Accountability Office *Government Auditing Standards (Generally Accepted Government Auditing Standards)*; and the Texas Internal Auditing Act (*Texas Government Code, Chapter 2102*).

The system of quality control of the Chief Auditor's Office's audit engagement practices was adequately designed and complied with during the period reviewed to provide the Chief Auditor's Office with reasonable assurance of conforming with the above stated professional standards. Overall, it is our opinion that the Chief Auditor's Office of the Texas Department of Public Safety adds value to the Texas Department of Public Safety and improves its operations.

This opinion is the highest of possible ratings.

Special Mention

The Review Team would like to recognize the Chief Auditor's Office's efforts in its swift staffing of the function. Since the hiring of the current Chief Auditor, the Chief Auditor's Office underwent a number of significant changes. Some of these changes resulted in the loss of personnel. In a relatively short period of time with several vacancies to fill, the Office has staffed its function to ensure the Chief Auditor's Office collectively possesses the knowledge, skills, and other competencies needed to perform its responsibilities, and has developed its function into a fully conforming internal audit activity.

VI. Internal Audit Plan for Fiscal Year 2016

The *DPS Chief Auditor’s Office Fiscal Year 2016 Audit Strategy* was approved at the Public Safety Commission meeting held on August 27, 2015. The Fiscal Year 2016 Audit Strategy was developed based on a risk assessment which considered such factors as budget, extent of grants/contracts, prior audits/reviews, staffing, and stakeholder input.

The activities on this list generally indicate that the services being provided, or the functions for which they are responsible, are by nature higher risk activities because of factors such as having a large amount of expenditures and revenues, a direct or potential impact on the critical missions of the agency, or a high degree of public interest. Presence on this list does *not* mean that the activity is being managed ineffectively or that it is not functioning properly. Presence on the list more accurately presumes opportunities to address activities which are mission critical, provide substantial support for other Department operations, reflect high public need, or consume significant financial resources. The overall results identify the activities which may benefit from an independent and objective review to confirm adequate and effective controls are in place to ensure agency goals and objectives are met.

FY16 Internal Audit Strategy (Note: Multiple projects are planned under some areas)	
Contract Management	State contract management and administration practices were highlighted once again during the most recent legislative session. In January, Governor Abbott issued a directive to all state agency heads regarding transparency in state agency contracting and procurement, ensuring the state is committed to maximizing value and utilizing open and transparent contracting processes. While not all reforms contemplated were eventually passed, SB20 was signed into law and made comprehensive changes to state agency contracting, purchasing, and accounting procedures.
Cybersecurity	Utilizing the NIST “Framework for Improving Critical Infrastructure Cybersecurity”, CAO will continue its efforts in partnering with the Department’s Cybersecurity team to assess the Department’s cybersecurity practices, risks, and program overall.
Grants Management	In FY2015, the CAO began to shift its efforts in assessing the Department’s management and administration of grants. While previous internal audits had been more focused on compliance, the CAO began shifting its efforts in FY2015 towards “audit readiness”.

FY16 Internal Audit Strategy

(Note: Multiple projects are planned under some areas)

Driver License

- **Continuous Monitoring Protocol** – In FY2015, the CAO developed continuous monitoring protocols related to driver license transactions to assist the Driver License Division in proactively identifying unusual activity.
- **DL Improvement Funding** – Review DL Improvement funding and expenditures.

Information Technology

Information Technology is vital to the Department's infrastructure. CAO intends to focus efforts on assisting the IT function in meeting its critical goals and objectives.

Efficiency and Effectiveness of Business Processes and Practices

Both advisory and assurance projects focused on reviewing the efficiency and effectiveness of Department business processes and practices. Possible areas of assistance in FY2016 include:

- Performance evaluations
- Non-commission staff salary parity
- Approval process for projects
- Imprest fund practices
- eProcurement system
- Others as requested or indicated

Routine Audit Efforts

- **Field Administration Reviews** – Provide an Audit presence in field administration through a concentrated program examining selected processes of interest at a high level at regional offices and Driver License offices.
- **Performance Measures** - Evaluate selected agency key performance measures to assure:
 - Internal controls are in place and operating effectively for the collection, calculation, and retention of key performance measures data.
 - Data was accurately reported into the ABEST database.
- **Follow-Up Audits** – Follow-up of prior CAO audits to determine if corrective actions adequately and effectively addressed reported findings.
- **Annual Texas Emergency Management Conference** - Review conference revenue and expenditures.

FY16 Internal Audit Strategy

(Note: Multiple projects are planned under some areas)

FY15 Carry-Over Projects	Hours have been set aside to complete those projects initiated in FY15 that will carry over to FY16.
External Auditor Liaison	The Chief Auditor serves as the liaison with the Texas State Auditor's Office (SAO) and other state and federal external entities having oversight audit and review responsibility for Department activities.
General Assurance and Advisory Services	Additional hours are also reserved for informal general assurance and advisory services on emerging or ongoing issues throughout the year. Such efforts by the CAO typically require 80 hours or less each and do not result in an audit report.

VII. External Audit Service Procured in Fiscal Year 2015

Service	SAO Delegation
<i>Audit of Forensic DNA Testing Laboratories</i>	405-2014-001
<i>Audit of Federal Emergency Management Public Assistance Grants for Fiscal Year 2015</i>	405-2014-002

VIII. Reporting Suspected Fraud and Abuse

The DPS home page includes a link to the State Auditor's website for fraud reporting as required by Article IX, Section 7.10, the General Appropriations Act (82nd Legislature).

The DPS General Manual, Section 05.49.00 FRAUD POLICY states that:

Employees who suspect fraud is occurring in the workplace should immediately notify their supervisors. If for some reason the employee is uncomfortable with notifying their supervisor, they may notify Internal Affairs or the State Auditor's Office

Reports prepared by the Chief Auditor's Office in collaboration with the Office of Inspector General are provided to the State Auditor's Special Investigations Unit in compliance with Tex. Gov't Code 321.022.

IX. Other Internal Audit Activities

Activity	Description
Professional Credentials	During FY 2016, CAO staff pursued professional certifications and advanced degrees. The CAO staff members hold numerous professional certifications, five (5) advanced degrees, and 121 years of experience providing assurance and advisory services.
Ongoing Quality Assurance and Improvement Program (QAIP)	This activity includes on-going and periodic monitoring of audit quality, as well as the annual self-assessment. As a result of this effort, we have greater assurance that our work meets quality standards and is in compliance with professional audit standards and the Texas Internal Auditing Act.
Follow-up	We conducted a follow-up project in FY 2015, assessing all open issues related to internal audit, inspection, and external oversight agencies' work at DPS.
Office of Inspector General Assistance	CAO provided forensic accounting and auditing assistance to the Office of Inspector General.
External Auditor Liaison	CAO served as the official contact point and liaison for all external audits and reviews of DPS activities.
Professional Organizations	<p>CAO staff actively supported professional organizations by participating and/or serving in professional audit organizations including:</p> <ul style="list-style-type: none"> • State Agency Internal Audit Forum (SAIAF) • Association of Certified Fraud Examiners (ACFE) • Institute of Internal Auditors (IIA) • Information Systems Audit and Control Association (ISACA) • International Law Enforcement Auditors Association (ILEAA)

Activity	Description
Professional Speaking	<ul style="list-style-type: none"> • Chief Auditor Catherine A. Melvin moderated an IIA American center for Government Auditing (ACGA) Webinar entitled “The Value of Red and Yellow Book Standards” for members of the Institute of Internal Auditors, September 2014 • Chief Auditor Catherine A. Melvin presented a general session entitled, “How Internal Audit Can Work With/For Your Agency” to all conference attendees at the Texas State Agency Business Administrators Association Mid-Winter Conference in December 2014. • Chief Auditor Catherine A. Melvin spoke to the LBJ School's Executive Masters in Public Leadership (EMPL) program in March 2015 regarding the value and role of internal auditing in the public sector. • Chief Auditor Catherine A. Melvin participated in a presentation at the March 2015 Texas Emergency Management Conference regarding Emergency Procurements. • Susan Oballe co-presented on Process Improvement Techniques at the 2015 State Auditor’s Annual Conference in Austin, Texas.
Ride-alongs and Aviation	<p>CAO staff members have rode along, as well as flown with Texas State Troopers and pilots during the year. The objective of this activity is for staff to gain a better understanding of the core work performed to meet the DPS mission.</p>
Fraud Waste and Abuse Prevention	<p>Through our audit work, training sessions and DPS-net presence, we continue to promote the prevention and detection of fraud, waste and abuse.</p>

REPORT DISTRIBUTION

INTERNAL DISTRIBUTION

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Manny Flores, Commissioner
Faith Johnson, Commissioner
Steven P. Mach, Commissioner
Randy Watson, Commissioner

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David Baker, Deputy Director, Law Enforcement
Robert Bodisch, Deputy Director, Homeland Security and Services

Inspector General

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State Auditor's Office

Sunset Advisory Commission

State of Texas

Department of Public Safety

Chief Auditor's Office

Catherine A. Melvin, Chief Auditor



FY2016 Annual Report

October 2016

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October 31, 2016

The Honorable Gregg Abbott, Governor
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The State Auditor's Office

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If you desire further information about the contents of this report or would like to request copies of individual audit reports, please call (512) 424-5711.

Respectfully,

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Catherine A. Melvin, CPA, CIA, CLEA
Chief Auditor

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I. Compliance with Texas Government Code, Section 2102.015: Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Audit information on Internet Web Site

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The Chief Auditor's Office has complied with this mandate by posting the following on the DPS website:

- FY 2013 Annual Report
- FY 2014 Approved Audit Plan
- FY 2014 Approved Audit Plan Amendment
- FY 2014 Annual Report
- FY 2015 Approved Annual Audit Plan
- FY 2015 Annual Report
- FY 2016 Approved Internal Audit Strategy
- FY 2017 Approved Internal Audit Strategy

Upon completion, this report will also be posted on the DPS website. At this time, no weaknesses or concerns have been raised by either the audit plan or the annual report.

II. Internal Audit Plan for Fiscal Year 2016

III. Consulting Services and Nonaudit Services Completed

The DPS CAO FY2016 Internal Audit Strategy was approved in the August 27, 2015, PSC Meeting. The column marked "Internal Audit Strategy" ties the FY16 CAO efforts to the approved strategy.

Project		Internal Audit Strategy							Status	
		Contract Mgmt	CYberSecurity	Grants Mgmt	Driver License	Information Technology	Efficiency/Effectiveness	Routine Audit		Other
Audits (Assurance Projects)										
16-005	FY16 Follow-Up							✓		Carry Fwd to FY17
16-104	(15-018) Hiring Process							✓		Reporting
16-105	(15-019) Follow-Up Audit: Cash Management							✓	✓	REPORT
16-106	(15-020) Follow-Up Audit: Crime Lab							✓	✓	REPORT
16-112	2016 Field Administration Audit								✓	Carry Fwd to FY17
Management Requests, Special Projects, Advisory Services										
16-101	FY 2015 TDEM Conference Audit								✓	Complete
16-102	(15-007) Contract with MicroAssist	✓								Complete
16-103	(15-017) CyberSecurity Identification		✓							Complete
16-104a	(15-018a) I-9 Compliance							✓		Memo
16-108	OST Dashboard - WebEOC Data Reconciliation							✓		In Progress
16-110	DL Improvement Funding				✓					Memo
16-113	USAS/USPS Access Compliance		✓	✓		✓				In Progress
16-201	FY 2015 A-133 Subrecipient Monitoring Advisory		✓							Fieldwork
16-202	North Texas Tollway Authority Contract	✓								Complete
16-204	FEMA Management Decision Letter for FY 2014 Single Audit Findings		✓							Complete
16-205	Management Review Committee (DR Process)								✓	Complete
16-206	TDEM Grant Closeout Process		✓							In Progress
16-208	Fuel Card Process Redesign							✓		Carry Fwd

Project		Internal Audit Strategy							Status
		Contract Mgmt	CYberSecurity	Grants Mgmt	Driver License	Information Technology	Efficiency/Effectiveness	Routine Audit	
									to FY17
16-209	SSA SPARS Approval Validations	✓	✓						Complete
Special Investigatory Assistance - EEO, OIG, SAO Hotline									
16-400	The Chief Auditor's Office serves as a central point of contact for hotline complaints forwarded to the Department by the SAO.	✓					✓	✓	N/A
External Audits/Reviews									
16-500	The Chief Auditor's Office serves as a liaison for all external audits/reviews of the Department. The Department is routinely audited by entities such as the State Auditor's Office (SAO), the Department of Homeland Security – Office of the Inspector General, the Office of the Governor, and FEMA. The Department underwent several external audits and reviews during FY2016.	✓	✓	✓		✓	✓	✓	N/A
CAO Administration									
16-001	FY15 CAO Annual Report							✓	REPORT
16-003	CAO Quality Assurance Review (Peer Review)							✓	REPORT
16-006	FY17 CAO Risk Assessment and Audit Strategy Development							✓	REPORT

IV. External Quality Assurance Review (Peer Review)

The DPS Chief Auditor’s Office periodically undergoes an external quality assurance review (QAR) as required by professional standards and the Texas Internal Auditing Act. In the most recent QAR, dated March 2016, the office received an overall opinion of “Pass/Generally Conforms” which was the highest of possible ratings. The following is an excerpt from that report:

Overall Opinion

Based on the information received and evaluated during this external quality assurance review, it is our opinion that the Texas Department of Public Safety Chief Auditor’s Office receives a rating of

Pass/Generally Conforms

and is in compliance with the Institute of Internal Auditors (IIA) *International Professional Practices Framework* 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 providing assurance and consulting engagements in conformance with professional auditing standards.

The annual audit plan and individual audit projects are planned using risk assessment techniques; audit conclusions are supported in the working papers; and findings and recommendations are reported, as required.

Internal Audit has sufficient independence to perform its work. Surveys and interviews conducted during the quality assurance review indicated that management considers Internal Audit a useful part of the overall agency operations; however, opportunities to further communicate and engage management in the value proposition of Internal Audit were identified. Overall, management agreed that additional value could be gained through Internal Audit’s demonstrated focus on collaboration, while maintaining its independence.

V. Internal Audit Plan for Fiscal Year 2017

The *DPS Chief Auditor's Office Fiscal Year 2017 Internal Audit Strategy* was approved at the Public Safety Commission meeting held on August 25, 2016. The Fiscal Year 2017 Internal Audit Strategy was developed based on a risk assessment which considered such factors as budget, extent of grants/contracts, prior audits/reviews, staffing, and stakeholder input.

Texas Department of Public Safety
Chief Auditor's Office

Fiscal Year 2017 Internal Audit Strategy

For the Period September 2016 – August 2017

Internal Audit Assurance and Consulting/Advisory Engagement Areas

- Contract Management
- Grants Management
- Driver License Operations
- Efficiency and Effectiveness of Business Processes
- Financial Controls and Processes
- Information Technology
- CyberSecurity
- Reserve for Special Projects and Requests

Routine Internal Audit Efforts

- Field Administration Reviews
- Follow-Up Program:
 - Follow-Up Audits
 - Status of Outstanding Findings/Recommendations
- Annual Texas Emergency Management Conference

Coordination of External Audits/Reviews

- Statewide Single Audit – SAO/KPMG
- Other External Audits/Reviews – State Auditor's Office, DHS-OIG, Office of the Governor, FEMA, etc.

Mandatory Internal Audit Activities

- Quality Assurance and Improvement Program
- Continuing Professional Education
- Development of the Fiscal Year 2018 Internal Audit Strategy

Other Internal Audit Activities

- Service to the Profession
- Administration of the Chief Auditor's Office

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VI. External Audit Services Procured in Fiscal Year 2016

Service	SAO Delegation
<i>Audit of Forensic Crime Laboratories</i>	405-2016-001
<i>Audit of Federal Emergency Management Public Assistance Grants for Fiscal Year 2016</i>	405-2016-002

VII. Reporting Suspected Fraud and Abuse

The DPS home page includes a link to the State Auditor's website for fraud reporting as required by Article IX, Section 7.10, the General Appropriations Act (82nd Legislature).

The DPS General Manual, Section 05.49.00 FRAUD POLICY states that:

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Reports prepared by the Chief Auditor's Office in collaboration with the Office of Inspector General are provided to the State Auditor's Special Investigations Unit in compliance with Tex. Gov't Code 321.022.

VIII. Other Internal Audit Activities

Activity	Description
Professional Credentials	During FY 2016, CAO staff pursued professional certifications and advanced degrees. These included certification as Certified Internal Auditor, Certified Public Accountant, and Certified Government Auditing Professional. The CAO staff members hold numerous professional certifications and 128 years of experience providing assurance and advisory services.
Ongoing Quality Assurance and Improvement Program (QAIP)	This activity includes on-going and periodic monitoring of audit quality, as well as the annual self-assessment. As a result of this effort, we have greater assurance that our work meets quality standards and is in compliance with professional audit standards and the Texas Internal Auditing Act.
Continuing Professional Education	Professional standards require each internal auditor to obtain 40 hours of continuing professional education annually. The Chief Auditor’s Office strives to conserve and maximize its budget while seeking quality continuing professional education to develop and enhance our professional competencies to better serve the Department.
Office of Inspector General Assistance	CAO provides forensic accounting and auditing assistance to the Office of Inspector General.
External Auditor Liaison	CAO served as the official contact point and liaison for external audits and reviews of DPS activities.
Professional Organizations	<p>CAO staff actively supported professional organizations by participating and/or serving in professional audit organizations including:</p> <ul style="list-style-type: none"> • State Agency Internal Audit Forum (SAIAF) • Association of Certified Fraud Examiners (ACFE) • Institute of Internal Auditors (IIA) • Information Systems Audit and Control Association (ISACA) • International Law Enforcement Auditors Association (ILEAA)

Activity	Description
Professional Speaking	<ul style="list-style-type: none"> • Chief Auditor Catherine A. Melvin and Susan Oballe co-presented at the Association of Government Accountants (AGA) entitled “It’s About the Process – Applying a Process-Based Approach to Improve Controls”, January 2016 • Chief Auditor Catherine A. Melvin presented at the UT Austin LBJ School – Executive Master in Public Leadership Program entitled “Internal Audit in the Public Sector”, April 2016 • Chief Auditor Catherine A. Melvin presented at the 2016 Annual Texas Emergency Management Conference entitled “State Contracting Requirements”, April 2016 • Chief Auditor Catherine A. Melvin co-presented at the 2016 Annual International Association of Chiefs of Police (IACP) entitled “Recruiting, Retaining, and Rewarding Women in Law Enforcement”, October 2016 • Susan Oballe co-presented with Nancy H. Walden at the Texas Department of Public Safety – Command College
Ride-Alongs	CAO staff members have rode along with Texas State Troopers during the year. The objective of this activity is for staff to gain a better understanding of the core work performed to meet the DPS mission.
Fraud Waste and Abuse Prevention	Through our audit and advisory services, we continue to promote the prevention and detection of fraud, waste and abuse.

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