



# FY2016 Internal Audit Strategy

## Approved – August 27, 2015

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### 1) 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.

### 2) 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.

### 3) 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”.

### 4) 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.

### 5) 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.

### 6) 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



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### **7) 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.