



Internal Audit Plan

Fiscal Year 2024

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TEXAS
Health and Human
Services

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1. Process Description

To facilitate more timely response to shifting risks, the Internal Audit Division has implemented a continuous risk assessment process and plans to update the audit plan as needed throughout the fiscal year. The process description for audit plan approval follows:

1. **Define the audit universe.** Develop a comprehensive list of "auditable units" (i.e., program areas/units, activities, processes, etc.). This includes an ongoing review of organizational charts, agency reports, and the Health and Human Services Commission and Department of State Health Services Strategic Plans. Criteria for selecting "auditable units" includes: level of contribution to HHS Goals and Strategies, the magnitude of impact on the organization, the level of importance to justify the cost of control, and the efficiency in minimizing auditable units when possible.
2. **Select and weight risk factors.** Risk factors are specific and identifiable sources of uncertainty or potential negative consequences. Risk is inherent to every auditable unit - what varies among units is the degree or level of risk. Level of risk is determined by the extent of impact to the agency as a whole, should the specific risk occur. Risk factors are selected by consideration of current issues by the Chief Audit Executive.
3. In addition, HHS Internal Audit **staff assesses risk on five additional risk factors** based on the Committee of Sponsoring Organizations' (COSO) Internal Control Framework:
 - Control Environment
 - Assessing Risk
 - Control Activities
 - Information and Communication
 - Monitoring Activities
4. **Prioritize auditable units** to assess overall risk level.
 - **Score:** HHS Internal Audit scored each auditable unit using the Internal Audit Risk Factors and Scoring Guide.

- **Additional Points:** Areas identified as of interest or concern by executive management team members or the Chief Audit Executive received additional points at the discretion of the scoring team.
 - **Rank:** Calculate based on the sum of all scores and rank all units relative to one another. Identify high, medium and low risk areas.
5. **Monitoring and Updating Risk Assessment.** Information is gained and added to the risk assessment tool through routine meetings with agency management, information learned during audit work, external reports and notifications, and other sources that identify risks. Risks are perpetually monitored, and the risk assessment is updated as often as needed, to address the most current risks at HHS. The audit plan is monitored and assessed routinely, and amendments are proposed as appropriate.
6. **Identify Areas of Audit for the Proposed Fiscal Year 2024 Internal Audit Plan.** Based on available staff hours, review of audit history, input from executive management, and other factors develop a proposal for the Executive Commissioner's review and input.

2. HHS Internal Audit Services

Audits provide an independent assessment of processes or activities based on evaluation of management controls, testing of transactions, and review of evidence. Internal Audit management determines the nature and scope of each audit. Internal Audit projects conclude with written reports that provide information to management detailing the results of the audit and offer suggestions and recommendations for improvement. The audit projects planned for fiscal year 2024, including projects started in a previous fiscal year and planned to be completed in fiscal year 2024, are listed below with a brief description of each project.

Carry-Forward Audits

Health and Human Services System

Asset Management Office

Determine whether inventory processes for defining, identifying, tracking, and receiving of assets is efficient and effective.

HHS Enterprise Portal

Determine whether identity and access management processes and controls within the HHS Enterprise Portal ensure user access is appropriately controlled in compliance with applicable controls (*IS Controls, NIST, HIPAA*).

Monitoring of Third-Party Subcontractors

Determine whether programs are monitoring contractors to ensure subcontractor monitoring is being performed to confirm all contractual requirements are being met, including incident reporting.

Take Charge Texas Application and General Controls

Determine whether select application and general controls for Take Charge Texas ensure the confidentiality, integrity, and availability of system data.

Health and Human Services Commission

2-1-1 Texas Information and Referral Network (TIRN)

Determine if monitoring effectively ensures information communicated is accurate and contractors are providing services in accordance with contract terms.

Community Care Services Eligibility

Determine if processes are in place to ensure compliance with eligibility requirements and HHSC policies for obtaining, verifying, and retaining support for eligibility determinations.

Business Management of SSLC's and SH's

Determine whether business services has effective monitoring in place to ensure state hospital and state supported living center expenditures are within appropriation levels.

Medicaid and CHIP Services - Program Support & Interest List

Determine whether processes in place to manage interest list activities and facilitate the eligibility and enrollment processes are timely and effective in preventing service delays and disruptions.

TIERS Application and General Controls¹

Determine whether select application and general controls for TIERS ensure the confidentiality, integrity, and availability of system data.

Determine the effectiveness of select functions and tasks supporting TIERS IT Project Management.

Determine the effectiveness of Data, Analytics, and Performance's (DAP) TIERS reporting processes related to communicating report methodology and limitations to clients.

Determine whether AES processes and oversight activities ensure TIERS system data used for eligibility determinations are accurate and in accordance with program procedures.

Contract Administration and Provider Monitoring (CAPM)

Determine whether Contract Administration and Provider Monitoring (CAPM) effectively monitors providers to ensure service delivery is provided in accordance with contract requirements.

Bridge Extensions

Determine if contract bridge extensions are identified, requested, approved, and reported in accordance with agency and state requirements.

¹ Audit will result in multiple deliverables and objectives for the audit have been expanded.

Department of State Health Services

Environmental Surveillance Section

Determine whether the Environmental Surveillance Section has processes to identify populations at risk on time and provide reliable information to stakeholders.

Newborn Screening Care Coordination

Determine if Newborn Screening Care Coordination has processes to address all abnormal screening results appropriately through follow-up and case management services.

New Audits

Health and Human Services System

Travel Reimbursement

Determine whether travel reimbursements are properly reviewed and approved, supported by documentation, and processed within the required timeframe.

HHS Privacy Office

Determine whether data breach processes are adequate to ensure that all reported data breaches are appropriately documented and addressed.

HHS IT Security Incident Response Framework

Determine whether HHS IT has an IT security incident response framework in place to ensure security incidents are identified, addressed, and reported to ensure the integrity of data.

IT Governance

Assess the effectiveness of select IT governance components to ensure:

- IT strategies are aligned with organizational objectives
- Risks are identified and managed properly
- IT resources are managed effectively and optimized to deliver value to the agency
- IT performance is defined, measured, and reported

TAC 202

Evaluate the controls and processes in place to ensure compliance with Texas Administrative Code Title 1, Part 10, Chapter 202 Subchapter B (TAC 202) and assess the adequacy and effectiveness of policies and procedures. Specific focus will be placed on evaluating the effectiveness of Information Technology's governance framework in supporting HHS toward the achievement of organizational goals and objectives.

Ethics Requirements

Evaluate the design, implementation, and effectiveness of the organization's ethics-related objectives, programs, and activities.

Audit Verifications

Perform verification on select prior audit recommendations reported by management as implemented.

Health and Human Services Commission**Records Management**

Determine whether record management processes comply with applicable agency and state requirements, including relevant requirements of the Texas State Library and Archives Commission, and the System of Automated Records (SOAR) is complete and accurate.

Peer & Recovery Services Programs, Policy and Planning

Determine whether contract management processes ensure effective and timely delivery of select peer and recovery services.

Intergovernmental Transfers for Select Programs

Determine whether Provider Finance accurately collects and processes payments for select programs that utilize intergovernmental transfers.

Accounts Receivable Processes

Determine whether existing physical and automated controls are adequate to safeguard HHSC and OIG receivables.

Long Term Care Regulation

Evaluate the regulatory oversight and monitoring of Long Term Care providers and programs, assessing compliance with state regulations regarding resident safety, staff qualifications, and quality of care.

Liquidated Damages

Determine whether liquidated damages for select programs are identified, collected, and recorded in compliance with appropriate requirements.

Department of State Health Services

Tuberculosis Program Services and Coordination

Determine the effectiveness of tuberculosis services provided by Regional and Local Health Operations, specifically related to privacy, effective documentation of client services, outcomes, and coordination with Laboratory and Infectious Disease Services.

Laboratory Services for Newborn Screening

Determine whether Laboratory Services for Newborn Screening has processes to support accurate, complete, and timely testing of all babies born in Texas.

Radiation Section

Determine whether Radiation Section licensing reviews ensure compliance with all federal, state, local, and DSHS regulations and policies.

Consulting Services

In addition to audit services, Internal Audit Division also performs consulting services intended to add value and improve governance, risk management, and control processes. Consulting services are advisory in nature and are generally performed at the specific request of management. The work performed is subject to Internal Audit's agreement with management regarding project scope and objectives and is based on Internal Audit's consideration of potential impairments to independence and objectivity. When performing consulting services, Internal Audit maintains independence and objectivity and does not assume management responsibilities. The Chief Audit Executive makes the determination to accept these engagements based on resources available in the Internal Audit Division, subject to Executive Commissioner approval.