Audit Plan

Carry-Forward Audits

HHS Salary Overpayments

- Assess the adequacy of controls to ensure salary overpayments are identified for each payroll cycle.
- Determine whether HHS System Agencies are in compliance with salary overpayment tracking and reporting requirements.

Contract Processing Times for Selected System Contracts

- For selected contracts, determine whether processes in place effectively support the timely processing of contracts from procurement and legal review to contract execution.

Inspector General Investigation Process Effectiveness

- Determine the status of implementing select Sunset recommendations related to the Inspector General's investigative process.

Oversight of Statewide Network of Community Partners

- Evaluate whether Office of Social Services monitoring and oversight of the Community Partner Program is effective and provides assurance that desired program outcomes are achieved.
- Determine whether:
    - Memorandums of Understanding with Community Partner Organizations include adequate provisions and performance measures associated with protecting confidential HHSC client information.
    - Logical security controls at Community Partner Organizations effectively protect HHSC systems and client data from unauthorized access.

Oversight of Selected Administrative Goods and Services Contracts

- Determine whether oversight activities effectively support HHS System compliance with state requirements for contracting and procurement, including requirements over the needs identification and evaluation and award phases of the procurement cycle.

Accounts Receivable Processes

- Evaluate the effectiveness of processes in Accounts Receivable to determine whether:
    - Policies and procedures are documented and accurately reflect current processes.
    - Roles and responsibilities are defined and segregated.

  - Processes for transferring knowledge are in place to ensure continuity and consistency of operations.
  - Receivables are received and processed within three days of receipt (Texas Government Code 404.094).

- Determine whether individuals possess authorized and segregated user access to accounts receivable capabilities within the Accounts Receivable Tracking System (ARTS).
- Assess whether system change management policies and procedures are in place to ensure changes are authorized by management, sufficiently tested prior to implementation and documented.

Oversight and Monitoring of Managed Transportation Services

- Evaluate whether contract monitoring processes support the managed transportation delivery model and ensure contract outcomes are achieved, including delivery of transportation services to eligible clients and accurate payments to managed transportation organizations.

New Audits

Blind Children's Program

- Determine the effectiveness of the Blind Children's Program's Quality Assurance Plan and provide recommendations for improvement.

Eligibility Operations - Vendor Operations

- Determine whether the structure to support monitoring for document processing, eligibility support, and data broker service contracts is operating effectively.

Vendor Drug Program

- Determine whether oversight and monitoring activities effectively ensure that program objectives are met.

Contract Compliance and Performance Management Monitoring

- Evaluate whether CCPM's contract monitoring processes ensure key claims administrator contract outcomes are achieved.

Information Technology Application Change Management

- Determine whether the change management controls and oversight support accurate, cost-effective, and timely implementation of needed changes.
- Evaluate change management processes used and identify best practices.

Construction and Maintenance Project Management

- Determine whether controls are adequate over the construction and maintenance contract management processes for state hospitals and state supported living centers.

Accuracy of TIERS Data

- Analyze TIERS data processes to determine whether system data query results and reports are complete, accurate, and can be produced in a timely manner.

Medicaid Health Information Technology (HIT)

- Evaluate whether HIT objectives, mission, and processes align with customer needs.
- Determine whether controls are in place to address risks related to availability, accuracy, and confidentiality of patient health records.

Disaster Case Management Process

- Evaluate disaster case management processes and determine whether controls are adequate for providing client services during disastrous events.

HHS System Business Continuity and Disaster Recovery

- Determine whether HHS business continuity and disaster recovery processes are documented and designed to recover and protect mission critical business processes and the associated infrastructure in the event of a disaster.

Texas Administrative Code, Chapter 202 Compliance

- Determine whether HHSC is in compliance with TAC 202 requirements

Senate Bill 20 Reporting Requirements Compliance

- Determine whether HHSC is in compliance with reporting requirements outlined in SB 20.

HHS System Asset Management Controls

- Determine whether controls over the management of physical assets, including surplus and salvage programs, are operating as intended.

Job Audit Process

- Determine whether the job audit process is meeting its intended purpose and operating in accordance with policies and procedures.

Contract Monitoring of Mental Health Substance Abuse Local Mental Health Authorities

- Determine whether contract monitoring effectively ensures funds are utilized appropriately and local mental health authorities are meeting performance expectations.

Consulting Engagements

Internal Audit 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. Consulting services include:

- Performing advisory projects which provide analyses and recommendations on a specific subject.
- Conducting agreed upon procedures that address topics requested by management.
- Providing expertise and independent analyses as management controls are designed, such as through (a) auditor facilitation of business risk assessments and controls analyses and (b) participation in committees and workgroups as a non-voting, advisory member.
- Providing training on such topics as internal controls and risk management.
- Others as determined appropriate by the Director of Internal Audit

Consulting Projects Approved

Information Technology Governance

- Provide advice in restructuring the governance process to align with the HHS System's new structure.
- Participate as non-voting members of governance committees and provide advice on risk and control activities.

Review of Contract Monitoring Processes for Contracts over $100 Million

- For the contracts identified by the State Auditor's Office in the review of HHSC major contracts, identify contract monitoring processes performed by contract managers or appropriate oversight areas.

Follow-up Audits

Perform follow up on judgmentally selected prior audit recommendations that are reported by management as implemented. Recommendations are selected as staff are available to conduct the required work.

State External Audit Coordination

Internal Audit provides external audit liaison services that include:

- Coordinating and providing a single point of contact for audits conducted by entities external to HHSC.
- Assisting with and coordinating management responses to audit results and recommendations.
- Other assistance as needed for audits conducted by other state entities.

Other Required Projects

Statutes, auditing standards, and agency policies mandate the completion of certain projects. Required projects for fiscal year 2017 include:

- Annual Risk Assessment and Audit Plan
- Annual Internal Audit Report
- Annual Internal Quality Assurance Assessment

Note: Health and Human Services Commission Internal Audit Plan Fiscal Year 2017 was approved by Executive Commissioner Charles Smith on September 30, 2016.