

ANNUAL REPORT

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The State Auditor's Office

Annual Report for Fiscal Year 2021

Lisa R. Collier, CPA, CFE, CIDA
First Assistant State Auditor

October 2021



Lisa R. Collier,
CPA, CFE, CIDA,
First Assistant State Auditor

October 1, 2021

Members of the Legislative Audit Committee:

I am pleased to provide you with the State Auditor's Office (Office) fiscal year 2021 annual report. This report summarizes all audit work and other activities that the Office performed during fiscal year 2021, pursuant to Texas Government Code, Chapter 321.

This annual report reflects the professionalism, dedication, flexibility, and high quality work performed by the Office's staff. Additionally, it demonstrates the Office's achievement of fulfilling its statutory responsibilities and addressing risk across the state. Highlights from the annual report include:

- Audit and Review released 36 reports. Those reports addressed risk across various topics and General Appropriations Act articles. Sixteen of those reports were statutorily required, two of which addressed the legislative mandate that the Office examine the investigation and prosecution processes for reported sexual assaults in Texas.
- The Office rated 98 audit findings. The majority of those findings (72 percent) were rated Low or Medium.
- The State Classification Team released seven reports, updated six additional resources, and maintained several online systems.
- Professional Development offered 113 courses covering a variety of topics for federal, state, and local government entities and other organizations. All courses, including the SAO annual conference, were conducted virtually.
- The Office performed other activities, such as providing testimony during the 87th Legislative Session, providing presentations to state agencies and national organizations, developing internal audit guidance, and acting in advisory/non-voting roles on the State's Contract Advisory Team, Quality Assurance Team, and Records Management Interagency Coordinating Council.
- The Office received the National Legislative Program Evaluation Society 2021 Impact Award for *An Audit Report on Investigation and Prosecution Processes for Reported Sexual Assaults in Texas*.

I am also pleased to report that Office staff continued to obtain and maintain various certifications relevant to the Office's work. Those certifications include Certified Public Accountants, Certified Fraud Examiners, and Certified Information System Auditors.

Thank you for your support and the work that you do. I also want to thank the state agencies, institutions of higher education, and other entities the Office audited for their professionalism and assistance while working with us to complete these activities.

Please contact me at (512) 936-9500 if you have any questions or comments. I am available to you and your staff at your convenience.

Respectfully,

Lisa R. Collier, CPA, CFE, CIDA
First Assistant State Auditor

cc: The Honorable Greg Abbott, Governor

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The State Auditor's Office

ANNUAL REPORT FOR FISCAL YEAR 2021

Overview

The State Auditor's Office *Annual Report* highlights audit work and other activities our office performed during fiscal year 2021. As the independent auditor for Texas state government, our mission is to actively provide government leaders with useful information that improves accountability.

This report is designed to provide information on the activities our office performed during the fiscal year in carrying out our annual audit plan, pursuant to Texas Government Code, Chapter 321. It is organized by the teams within our office: Audit and Review, State Classification, Investigations and Audit Support, Professional Development, and Other Activities. Our audit work is performed in accordance with generally accepted government auditing standards and includes statutorily required and risk-based audits.

Each report number is hyperlinked to the full report on the State Auditor's Office's website: <https://sao.texas.gov>.

For more information regarding this report, please contact Verma Elliott, Assistant State Auditor, or Lisa Collier, First Assistant State Auditor, at (512) 936-9500.





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Issue Ratings

Auditors use professional judgment to rate the audit findings identified in certain audit reports. For each report, the issue ratings are summarized in the report chapters/subchapters. Auditors determine the ratings based on the degree of risk or effect of the findings in relation to the audit objective(s).

LOW



The audit identified **strengths** that support the audited entity's ability to administer the program(s)/functions(s) audited or the issues identified do not present significant risks or effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.

MEDIUM



Issues identified present risks or effects that if not addressed could **moderately affect** the audited entity's ability to effectively administer the program(s)/function(s) audited. Action is needed to address the noted concern(s) and reduce risks to a more desirable level.

HIGH



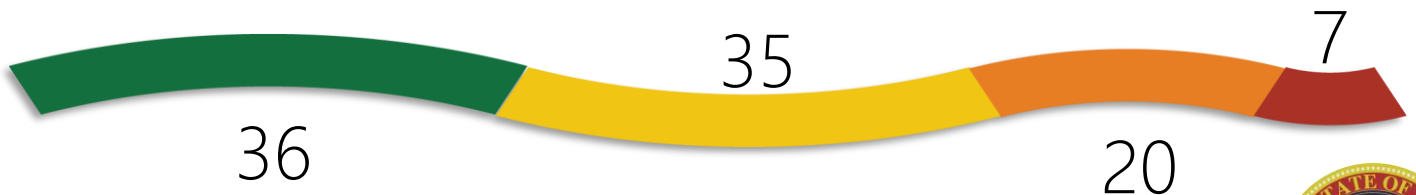
Issues identified present risks or effects that if not addressed could **substantially affect** the audited entity's ability to effectively administer the program(s)/function(s) audited. Prompt action is essential to address the noted concern(s) and reduce risks to the audited entity.

PRIORITY



Issues identified present risks or effects that if not addressed could **critically affect** the audited entity's ability to effectively administer the program(s)/function(s) audited. Immediate action is required to address the noted concern(s) and reduce risks to the audited entity.

Ratings Issued in Fiscal Year 2021





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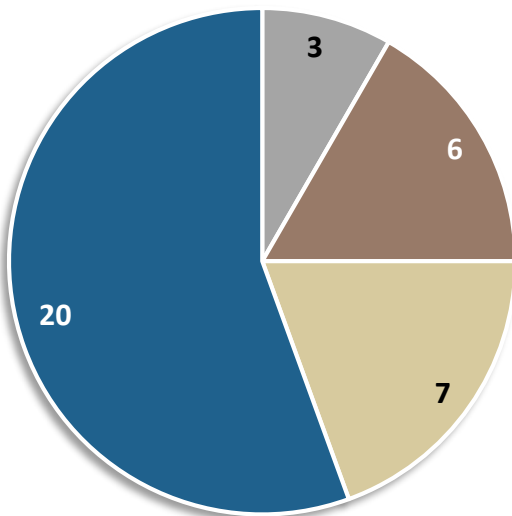
Audit and Review

The Audit and Review Team completed 36 reports from audits and other projects related to state agencies, higher education institutions, and other entities in fiscal year 2021. Two of those reports were legislative requests. Sixteen of those reports were required by statute or the General Appropriations Act, including four reports that addressed mandates from the 86th Legislature. The types of projects performed included:

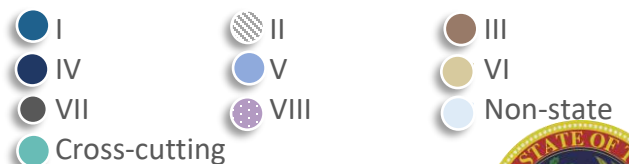
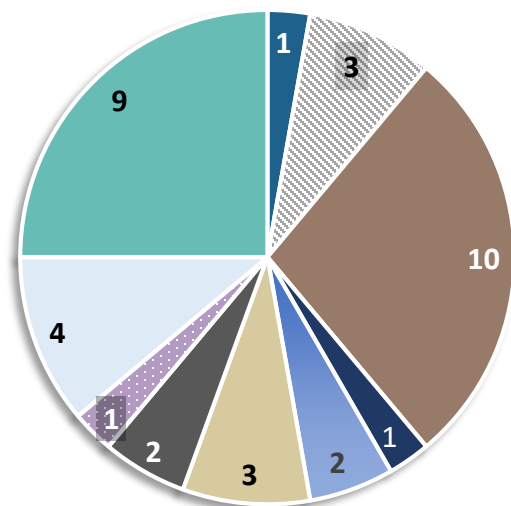
- Financial opinion audits.
- Federal compliance audits.
- Performance audits, including financial-related audits.
- Non-audit projects.

Those reports are listed beginning on the following page by General Appropriations Act article and non-state entities. Each report number is hyperlinked to the full report on the State Auditor's Office's website. See the figures below for report information regarding the project type and article(s) addressed.

Reports by Type



Reports by GAA Article






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Audit and Review

Report Title	Report Number	Release Date	Report Ratings
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Article I: General Government

An Audit Report on a Selected Contract at the Department of Information Resources 	21-018	05/06/2021	● ● ● ●
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Article II: Health and Human Services

An Audit Report on the Department of State Health Services' Vital Statistics Section and Texas Electronic Vital Events Registrar (TxEVER) System	21-030	08/24/2021	● ● ● ●
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A Report on Health and Human Services Commission Contracts	21-021	05/26/2021	
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An Audit Report on Selected Contracting Functions at the Health and Human Services Commission	21-007	01/15/2021	● ● ● ●
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Article III: Education

An Audit Report on Endowments at Selected Higher Education Institutions	21-033	08/26/2021	● ● ● ●
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Entities included:

- Midwestern State University University of Houston University of North Texas at Dallas

An Audit Report on Selected Contracting Functions at the Texas Education Agency	21-029	08/23/2021	● ● ● ●
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A Report on the Audit of the Teacher Retirement System's Fiscal Year 2020 Employer Pension and Other Post Employment Benefit Liability Allocation Schedules	21-022	06/11/2021	
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 Indicates the audit was a legislative request during the fiscal year.









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Report Title	Report Number	Release Date	Report Ratings
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Article III: Education (continued)

An Audit Report on Financial Processes at Texas State Technical College	21-017	04/30/2021	● ● ● ●
A Report on State of Texas Compliance with Federal Requirements for the Education Stabilization Fund (COVID-19 Relief) for the Fiscal Year Ended August 31, 2020 <i>(see the report for the higher education institutions audited)</i>	21-014	02/24/2021	
A Report on State of Texas Compliance with Federal Requirements for the Student Financial Assistance Cluster for the Fiscal Year Ended August 31, 2020 <i>(see the report for the higher education institutions audited)</i>	21-013	02/24/2021	
An Audit Report on Certification of the Permanent School Fund's Bond Guarantee Program for Fiscal Year 2020 	21-011	02/04/2021	
Entities audited: <ul style="list-style-type: none"> General Land Office Texas Education Agency 			
A Report on the Audit of the Permanent School Fund's Fiscal Year 2020 Financial Statements	21-006	12/23/2020	
Entities audited: <ul style="list-style-type: none"> General Land Office Texas Education Agency 			
An Audit Report on Correctional Managed Health Care at the University of Texas Medical Branch at Galveston and Texas Tech University Health Sciences Center  	21-004	12/08/2020	● ● ● ●
A Report on the Audit of the Teacher Retirement System's Fiscal Year 2020 Financial Statements	21-003	11/30/2020	

Article IV: The Judiciary

An Audit Report on Performance Measures at the Office of Capital and Forensic Writs 	21-032	08/25/2021	
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 Indicates a report required by legislation enacted by the 86th Legislature.

 Indicates a report required by statute or the General Appropriations Act (86th Legislature).





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Report Title	Report Number	Release Date	Report Ratings
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Article V: Public Safety and Criminal Justice

An Audit Report on Agribusiness at the Department of Criminal Justice

[21-016](#)

03/09/2021



An Audit Report on Complaint, Grievance, and Allegation Processing at the Juvenile Justice Department

[21-001](#)

09/11/2020



Article VI: Natural Resources

An Audit Report on the Soil and Water Conservation Board's Compliance with Historically Underutilized Business and State Use Program Requirements

[21-028](#)

07/29/2021



An Audit Report on Selected Loan Administration Processes at the Water Development Board

[21-026](#)

07/13/2021



An Audit Report on the General Land Office's Use of Appropriations for the Alamo Complex

[21-009](#)

01/28/2021



Article VII: Business and Economic Development

An Audit Report on Confidential Data Management at the Texas Workforce Commission

[21-034](#)

08/30/2021



A Report on the Audit of the Department of Housing and Community Affairs' Fiscal Year 2020 Financial Statements

[21-005](#)

12/31/2020

Article VIII: Regulatory

An Audit Report on Regulatory Activities at the Executive Council of Physical Therapy and Occupational Therapy Examiners

[21-031](#)

08/24/2021





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Report Title	Report Number	Release Date	Report Ratings
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Non-state Entities

An Audit Report on Selected Major Agreements Under the Texas Economic Development Act

[21-027](#)

07/28/2021



Entities included:

- Edinburg Consolidated Independent School District
- Deer Park Independent School District
- McCamey Independent School District

An Audit Report on Blue Cross Blue Shield of Texas, a Managed Care Organization

[21-025](#)

06/30/2021



A Summary of Financial and Performance Reports Submitted by Regional Planning Commissions
(see the report for the regional planning commissions included)

[21-012](#)

2/16/2021

An Audit Report on Selected Groundwater Conservation Districts

[21-008](#)

01/27/2021



Entities included:

- Bandera County River Authority and Groundwater District
- Lipan-Kickapoo Water Conservation District
- Reeves County Groundwater Conservation District
- Comal Trinity Groundwater Conservation District
- Medina County Groundwater Conservation District

Cross-cutting

A Report on Contract Monitoring Assessment at Certain State Agencies
(see the report for the 25 agencies and higher education institutions included)

[21-024](#)

06/28/2021

A Report on Agencies', Higher Education Institutions', and Community Colleges' Compliance with Public Funds Investment Act and Rider 5, General Appropriations Act, Reporting Requirements
(see the report for the state entities included)

[21-023](#)

06/09/2021

A Report on the Delegation of Authority to State Entities to Contract for External Audit Services
(see the report for the state entities included)

[21-020](#)

05/26/2021





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Report Title	Report Number	Release Date	Report Ratings
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Cross-cutting (continued)

A Report on the Implementation Status of Prior State Auditor's Office Recommendations  [21-019](#) 05/13/2021

Implementation status verified for:

- Commission on Environmental Quality
- Department of Transportation
- Office of Injured Employee Counsel
- Parks and Wildlife Department
- Texas A&M Engineering Extension Service
- Texas Workforce Commission
- University of Houston

State of Texas Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2020 [21-555](#) 02/26/2021
(see the report for the agencies' and higher education institutions' schedules of expenditures of federal awards audited)



Entities' financial accounts audited:

- Health and Human Services Commission
- Office of the Comptroller of Public Accounts
- Office of the Governor
- Texas Education Agency
- Texas Workforce Commission

State of Texas Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2020 [21-015](#) 02/26/2021
(see the report for the agencies and higher education institutions audited)

A Report on the Self-reported Implementation of Sunset Advisory Commission Management Actions  [21-010](#) 02/02/2021
(see the report for the state agencies and non-state entities followed up on)

An Audit Report on Investigation and Prosecution Processes for Reported Sexual Assaults in Texas   [21-002](#) 10/30/2020

A Supplemental Report on Survey Results for an Audit of Investigation and Prosecution Processes for Reported Sexual Assaults in Texas   [21-303](#) 10/30/2020





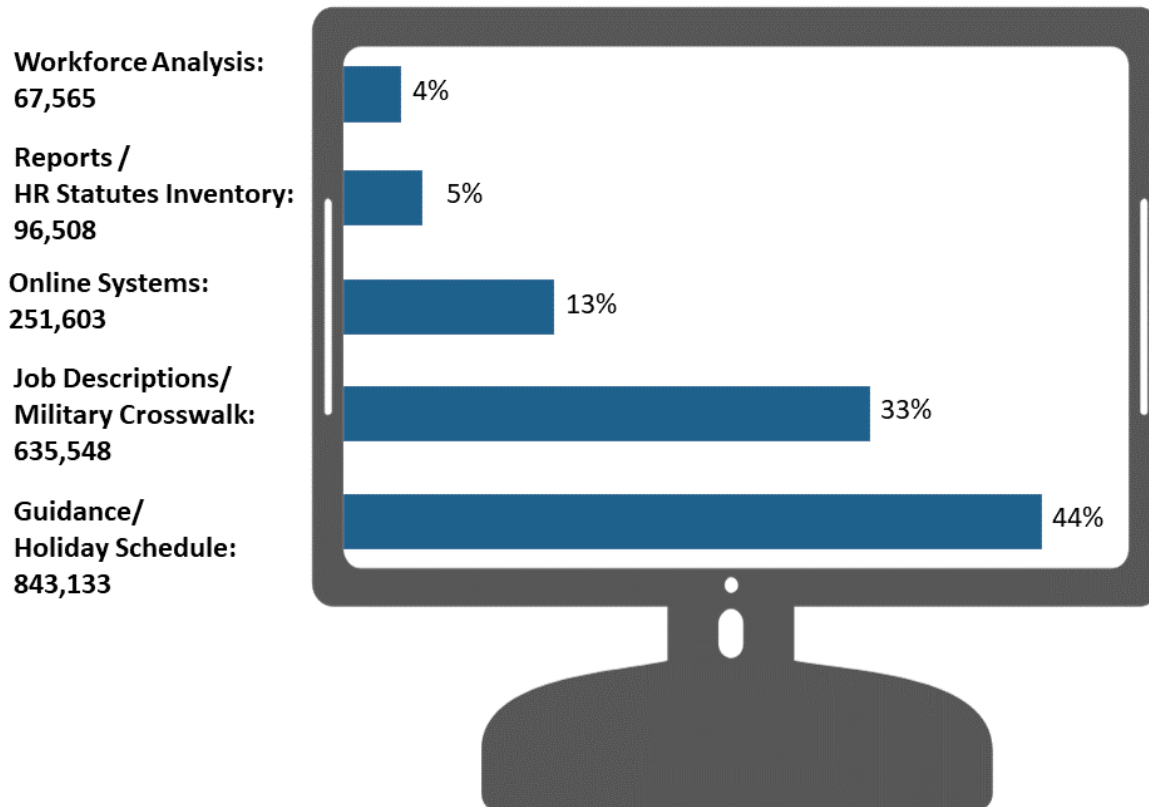
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Classification

The State Classification Team maintains the State's compensation and classification system, including the State's Position Classification Plan in the General Appropriations Act; analyzes state workforce issues; provides support to state agencies' and higher education institutions' human resources offices; and provides information on employee compensation issues to the Legislature. In fiscal year 2021, the State Classification Team released seven reports and revised six additional resources, which are listed on the following pages. Each report number is hyperlinked to the full report on the State Auditor's Office's website. See the figure below for information regarding the use of resources available on the State Classification Team's website.

Top Classification Resource Website Visits by Category*

1.9 Million Visits



*Percentages do not sum to 100% due to rounding.

State Classification Team website: <https://hr.sao.texas.gov>





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Classification

Report Title	Report Number	Release Date	Report Ratings
<p>A Classification Compliance Audit Report on Information Technology Positions at Selected General Government, Judiciary, and Regulatory Agencies </p> <p>Entities audited:</p> <ul style="list-style-type: none"> Department of Information Resources Department of Insurance Department of Licensing and Regulation Employees Retirement System Office of the Attorney General Office of the Comptroller of Public Accounts Office of Court Administration, Texas Judicial Council 	21-707	07/14/2021	● ● ● ●
<p>A Summary Report on Full-time Equivalent State Employees for Fiscal Year 2020 </p>	21-706	02/19/2021	
<p>Texas State Agencies and Higher Education Institutions Workforce Summaries for the 87th Legislature</p>	21-705	01/21/2021	
<p>A Report on the State's Law Enforcement Salary Schedule (Salary Schedule C) for the 2022-2023 Biennium </p>	21-704	12/30/2020	
<p>An Annual Report on Classified Employee Turnover for Fiscal Year 2020 </p>	21-703	12/15/2020	
<p>A Classification Compliance Audit Report on Information Technology Positions at Selected Public Safety and Criminal Justice Agencies </p> <p>Entities audited:</p> <ul style="list-style-type: none"> Alcoholic Beverage Commission Department of Criminal Justice Department of Public Safety Juvenile Justice Department Military Department 	21-702	10/14/2020	● ● ● ●
<p>A Biennial Report on the State's Position Classification Plan for the 2022-2023 Biennium </p>	21-701	10/01/2020	

Indicates a report required by statute or the General Appropriations Act (86th Legislature).





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Other State Classification Team Activities

Agency Assistance

Provided assistance to state agencies' and higher education institutions' human resources staff on a variety of topics related to human resources, including employment regulations, exit interview survey assistance, full-time equivalent reporting, workforce planning, classification and compensation, and turnover rates.^{1 2 3 4}

Job Descriptions

- [New and Revised Job Descriptions for the 2022-2023 Biennium](#)
- [Job Description Guide](#)

Job descriptions are reviewed and updated biennially to address changes to the State's Position Classification Plan, clarify duties and responsibilities, and incorporate feedback from state agencies on their use of the job descriptions. The *Job Description Guide* assists state agencies in outlining the components of a state job description.^{2 5}

Military Crosswalk

- [Revised Military Crosswalk for the 2022-2023 Biennium](#)
- [Military Crosswalk Guide](#)

The military crosswalk is designed to match the Military Occupational Specialty codes from each branch of the U.S. Armed Forces to each job classification series in the State's Position Classification Plan.⁶

Leave

- [Investigation Leave Reporting](#)

State agencies and higher education institutions must report 168 hours or more of leave granted during a quarter to an employee who is the subject of an investigation by the agency or institution.⁷

Conversion Manual

- [Conversion Manual](#)
- [Conversion Manual Guide](#)

Each biennium, the State Classification Team reviews the State's Position Classification Plan and makes recommendations to add new job classifications, delete current job classifications that are not utilized or have low utilization, and reallocate job classifications to maintain their market competitiveness. The State Classification Team then partners with the Office of the Comptroller of Public Accounts to produce a manual to assist agencies with the changes the Legislature made to the State's Position Classification Plan.²





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State Classification Team Online Systems

E-Class

[Electronic Classification Analysis System \(E-Class\)](#)

The Electronic Classification Analysis System (E-Class) is a web-based application that can be used to analyze statewide employee-related data. The data contained in E-Class are self-reported by the agencies and gathered from the Uniform Statewide Payroll/Personnel System (USPS), the Standardized Payroll/Personnel Reporting System (SPRS), and the Human Resources Information System (HRIS). This system can be used to access turnover data and state employee demographics.

Exit Survey System

[Employee Exit Survey System](#)

State agencies are required to provide employees who voluntarily leave employment within their agency an opportunity to complete an exit survey.¹ Each quarter, agencies have access to reports summarizing employees' reasons for leaving. This information can help agencies analyze reasons for employee turnover so they can recommend and/or implement appropriate solutions. In accordance with Texas Government Code, Section 651.007, responses to an exit interview questionnaire are confidential and not subject to disclosure under Texas Government Code, Chapter 552.

FTE System

[Full-Time Equivalent \(FTE\) State Employee System](#)

Agencies and higher education institutions are required to submit quarterly reports on the number of full-time equivalent employees and the number of consultants and individuals on contract during each fiscal quarter.⁸ The FTE System is used for data submission, as well as additional data analysis and reports.

Classification activities are conducted in accordance with the following:

¹ Texas Government Code, Section 651.007.

² Texas Government Code, Section 654.036.

³ Texas Government Code, Section 661.151.

⁴ Texas Government Code, Section 2056.0021.

⁵ Texas Government Code, Section 654.0155.

⁶ Texas Government Code, Section 654.0375.

⁷ Texas Government Code, Section 661.923.

⁸ Texas Government Code, Section 2052.103.





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Investigations and Audit Support

Investigations and Audit Support (IAS) investigates allegations of illegal acts and improprieties involving any entity that receives funds from the State. Investigation results are reported to prosecution authorities as appropriate. IAS operates and maintains the fraud hotline for reporting such allegations via an online form, email, telephone, mail, and previously scheduled in-person meetings. IAS also provides fraud-related training and presentations.

IAS website: <http://sao.fraud.texas.gov>

IAS activities are conducted in accordance with Texas Government Code, Sections 321.013, 321.0136, and 321.022.





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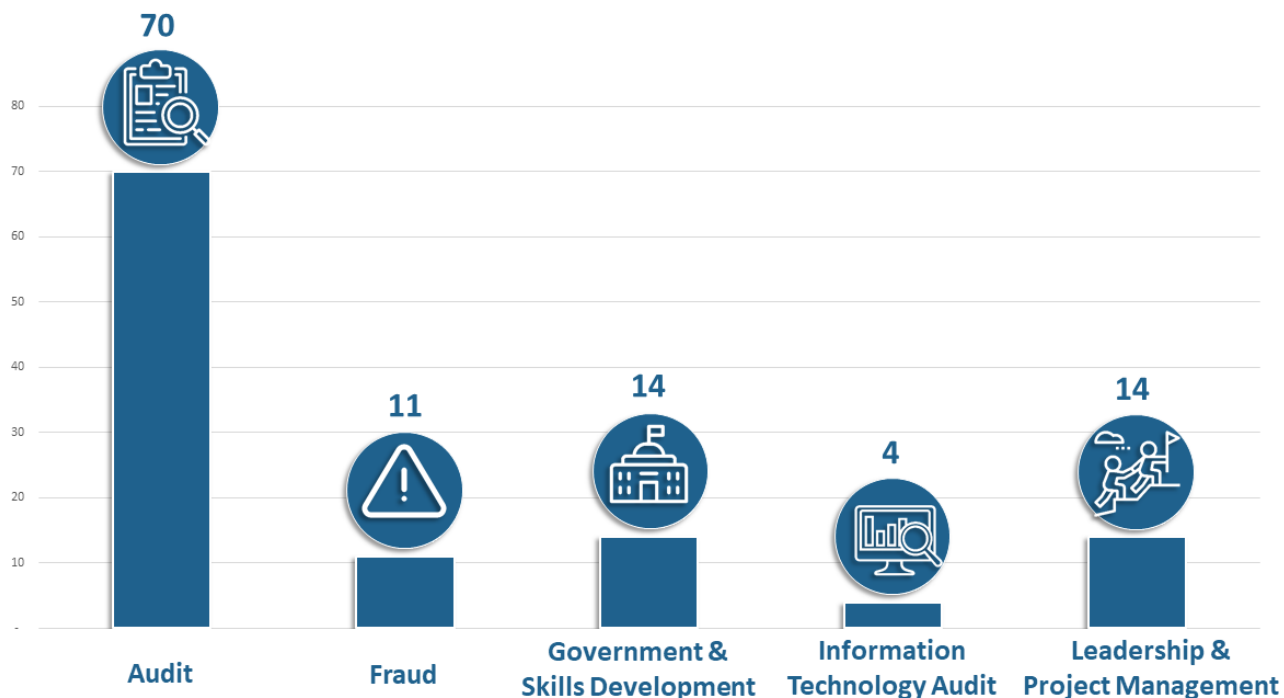
Professional Development

The Professional Development Team coordinates and provides continuing professional education (CPE) opportunities for auditors, accountants, managers, investigators, and other professional staff. During fiscal year 2021:

- Professional Development provided 113 training courses.
- A total of 669 public and private sector employees attended the training courses.
- Employees of 68 federal, state, and local government entities and other organizations received training.
- Internal and external participants earned a total of 15,309 CPE hours through courses offered by the Professional Development Team.

All courses, including the State Auditor's Office's annual conference, were held virtually as a result of the COVID-19 pandemic. See the figure below for information regarding the courses' subject matter.

Courses by Subject Matter



View the current course schedule on the State Auditor's Office's website: <https://sao.texas.gov/Training>





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Professional Development

Courses Offered by Professional Development Internal and External Courses

- Advanced Cloud and AWS Security
- Agile Auditing
- Assessing Compliance Risk in Public Sector Grants and Building a Monitoring Plan
- Assessing the Risks of Bots and Disruptive Technologies
- Audit Practices Workshop
- Auditing for Accounting Fraud
- Auditing for Efficiency and Effectiveness with Continuous Improvement Tools
- Building Credibility in Audit Through Effective Communication
- CFR 200.331 Pass Through Requirements
- Challenging Communication: Persuasion, Negotiation, and Conflict Management
- Coaching and Mentoring
- Collaborative Communication Leadership
- Conducting Virtual Audits
- Critical Thinking in Business
- Cryptocurrency Investigations for Financial Professionals
- Cybersecurity Framework
- Detecting Corruption
- Emotional Intelligence and Improving Communication
- Excel Power Query - Transform and Cleanup Data for Audits or Analysis Part 1
- Fraud Identification, Assessment, and Risk Mitigation
- Fraud in Grants
- Fraud Risk After COVID-19
- Fraud Risk Management in Expense Reimbursement, Purchasing Cards, and Time Reporting
- Fundamentals of Statistical Sampling
- Gathering Information Online through Open Source Intelligence
- Getting the Message Across
- High Impact Auditing Practices (2020/2021 Update)
- How to Manage Your Cybersecurity Risk in the Age of Coronavirus
- How To Present Audit and Other Improvement Ideas and Influence Management Action
- How to Run and Deliver Timely Audits
- Information Technology Beginners
- Intelligent Productivity: Doing More with Less Stress and Hassle
- Intermediate Advanced Excel Features Beneficial for Auditors and Accountants
- Interviewing, Speaking, and Presentation Skills for Government Auditors and Managers
- LOOKUP FUNCTIONS and INDEX, MATCH (Offered Twice)
- Neuro-linguistic Programming Advanced Practicum Intensive for Audit Professionals
- Procurement Consulting: Purchasing Fraud - Lessons Learned from Times of Crisis





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Professional Development

Courses Offered by Professional Development Internal and External Courses (continued)

Red Flags, Symptoms, and Indicators of Fraud - and
What To Do About Them

Root Cause Analysis

Statistical Sampling for Large Audits

Subrecipient Monitoring - From Onsite to Online

Successful Audit Data Analytics

Three Essential Elements of Effectively Leading Your
Team Forward

Using Excel PivotTables, Power Pivot, and Power Query to
Analyze Data

Using Excel Gantt Chart to Manage Projects

Virtual Team Building and Management

Why Emotional Intelligence and Critical Thinking Skills are
Essential for Audit

Writing Effective Audit Reports





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Courses Offered by Professional Development Internal Only Courses

- | | |
|--|--|
| Best Practices for Setting Up Your Testing Workpaper | First Level Review Expectations (Offered Three Times) |
| Control Significance Assessment Template: From Implementation to Application | How Auditors and Accountants Can Use Tables and PivotTables |
| COVID-19 Funding: An Update on Current Issues | How Communication Styles Can Affect Collaboration |
| Creating Accessible Audit Reports in Word | IF, COUNTIF, SUMIF, and MORE |
| Data Reliability Versus IT Internal Controls: Examples from Real Audits | New Auditor Training – Multiple Courses (Offered Twice) |
| Developing a Better Purpose: Improving Your Conclusions | Records Management, Open Records, and Confidential Information |
| Developing Graphics for Reports: An Introduction (Offered Twice) | SS Assistant Project Manager Roles and Responsibilities (Leading Projects eLearning) |
| Does Your Evidence Support Your Conclusion? | The Strategic Frontier of Accountability |
| Drawing and Documenting Conclusions with Confidence | Virtual Interviewing at the SAO (Offered Three Times) |
| Excel Power Pivot – How Can It Help Auditors? Part 2 | |





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Other Professional Development Activities

Audit Conference

The State Auditor's Office hosted the 2021 Audit Conference virtually in August 2021. A total of 222 state and local government auditors attended the two-day conference, which featured sessions focused on audit essentials; current events impacting audit; virtual audits; leadership; and fraud.

Texas Fiscal Officers' Academy

In partnership with the Legislative Budget Board and the Office of the Comptroller of Public Accounts, the State Auditor's Office hosted the Texas Fiscal Officers' Academy.

Thirty-two participants virtually attended the final two weeks of the three-week training program, which is designed to (1) prepare individuals to assume the duties and roles of a state agency chief fiscal officer, (2) use the extensive resources in state government to share experiences and information to train future state agency fiscal officers, and (3) cultivate a highly competent professional group capable of providing state government with the leadership that Texans deserve.

Other Instruction

Professional Development instructed the following courses for other organizations, including various state agencies, the Texas Fiscal Officers' Academy, and the Emerging Leaders Conference:

- Communicating Upward.
- Leading Multiple Generations.
- Productivity Style Coaching.
- Professional Email Communications.
- Resilience: What We Know.





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Other Activities

The State Auditor's Office conducts other work authorized or required by general law and by provisions of the General Appropriations Act. This includes participation in various workgroups and committees, performing research, reviewing and monitoring agency activities, and other activities. The following pages list those activities.

Other Activities

Audit Delegation and External Audit

- Conducted activities related to state agencies' and higher education institutions' delegated audit authority.⁹
- Monitored an external auditor's performance of a segment of the federal compliance portion of the Statewide Single Audit.¹⁰

Committees and Work Groups

- Participated in Contract Advisory Team activities as a technical advisor in a non-decision making role.¹¹
- Participated in Quality Assurance Team activities in a non-decision making, advisory role.¹²
- Participated on the Records Management Interagency Coordinating Council as a nonvoting member.¹³





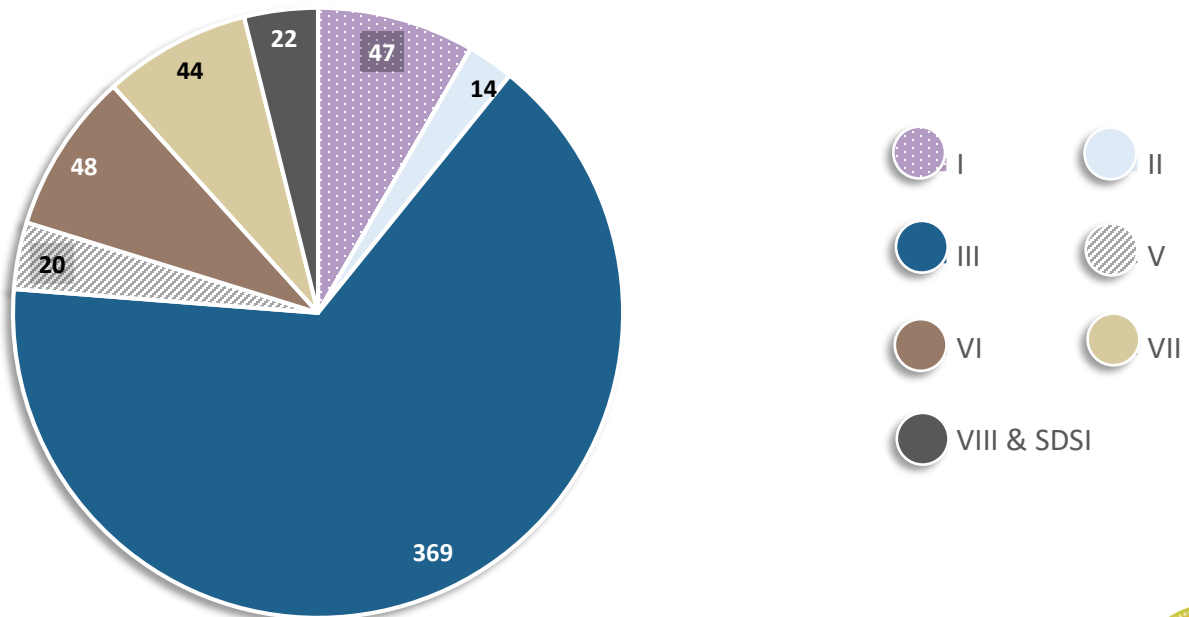
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Other Activities (continued)

Internal Audit Activities

- Notified mid-sized and large state agencies and higher education institutions regarding guidelines for completing their internal audit annual reports. Prescribed the form and content of the internal audit annual reports and the time and manner in which internal audit plans and annual reports should be posted on state agency and higher education institution websites pursuant to the Texas Internal Auditing Act. Reviewed internal audit reports submitted during the year.¹⁴ (See the figure below for additional information on the 564 periodic internal audit reports that the State Auditor's Office received during fiscal year 2021.)
- Notified small agencies of their statutory responsibility, pursuant to the Texas Internal Auditing Act, to conduct a formal, annual risk assessment as part of their risk management process. Developed the guidelines and format for the annual risk assessment and reviewed the agencies' submissions.¹⁵
- Reviewed internal audit reports from higher education institutions regarding the higher education institutions' compliance with contracting requirements in Texas Education Code, Section 51.9337.¹⁶

Periodic Internal Audit Reports Received by GAA Article





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Other Activities (continued)

Monitor and Review

- Obtained the implementation status of outstanding recommendations contained in audit reports issued by the State Auditor's Office from higher education institutions, agencies, and other audited entities.¹⁷
- Reviewed reports of investigations at State Hospitals and State Supported Living Centers from the Health and Human Services Commission's Office of Inspector General.¹⁸
- Reviewed tax settlement information provided by the Office of the Comptroller of Public Accounts.¹⁹

Testimony and Presentations

- Testified, served as a resource, and/or provided briefings on State Auditor's Office work for committees, subcommittees, and legislators of the Senate and the House of Representatives.²⁰
- Prepared materials in response to the Speaker of the House of Representatives' interim charge regarding the State Auditor's review of agencies and programs.
- Served as a panelist to discuss "The Strategic Frontier of Accountability" as part of the events planned by the U.S. Government Accountability Office's (GAO) Dallas Field Office to commemorate the GAO's 100th anniversary.
- Presented a session on "Leadership Lessons from the Pandemic" at the Catalyst Conference hosted by the Health and Human Services Commission.
- Presented a session on "How Communication Styles Can Affect Collaboration" at the Executive Leadership Academy at the Health and Human Services Commission.
- Presented a session on "Leading and Auditing During a Pandemic" at the 2020 Audit Forum Network Webinar Series hosted by the Intergovernmental Audit Forums.





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Other Activities (continued)

National Audit-Related Organizations

State Auditor's Office personnel participated in audit-related organizations that coordinate with peers from across the United States, enhance skills development, and further advance the practice of government auditing. Specifically:

- The executive committee of the Southwest Intergovernmental Audit Forum (SWIAF), which promotes communication, coordination, and cooperation among the federal, state, and local audit agencies throughout the region to foster effectiveness and efficiency of governmental operations. Ms. Collier is currently the chair of the executive committee.
- The American Institute of Certified Public Accountants' (AICPA) Governmental Audit Quality Center (GAQC), which promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services.
- Committees of the National State Auditors Association (NSAA), which cooperatively addresses government financial management issues. Those committees are:
 - Audit Standards and Reporting Committee.
 - Emerging Leaders Conference Program Committee.
 - Excellence in Accountability Awards Committee.
 - Human Resources Committee.
 - Pension Audit Workgroup Committee.
 - Peer Review Committee.
 - Performance Audit Committee.
 - Single Audit Committee.
- The National State Auditors Association (NSAA) Peer Review Program, which helps to ensure that member audit organizations maintain adequacy of and compliance with their systems of quality control and comply with requirements for a routine external peer review.
- The National Association of State Auditors, Comptrollers, and Treasurers (NASACT) Committee on Accounting, Reporting, and Auditing, which discusses accounting, financial reporting, auditing, and other matters related to the financial management of government.





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Other Activities (continued)

Certifications

As of September 2021, State Auditor's Office personnel held 202 professional certifications related to audit and financial, classification and human resources, investigations, information technology, and other advanced skills.

The figure below shows the number of certifications held by category. In addition, the following page details the certifications within each category and the number of certified employees when more than one individual holds the certification.

Certifications by Category





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Other Activities (continued)

Certifications (continued)

Audit and Financial

Certification in Risk Management Assurance
Certified Economic Crime Forensic Examiner
Certified Fiduciary and Investment Risk Specialist
Certified Financial Crime Specialist
Certified Financial Services Auditor
Certified Forensic Accountant
Certified Fraud Examiner **(54)**
Certified Government Auditing Professional **(23)**
Certified Government Financial Manager **(2)**
Certified Information Systems Auditor **(11)**
Certified Internal Auditor **(21)**
Certified Internal Controls Auditor **(2)**
Certified Investments and Derivatives Auditor **(5)**
Certified Public Accountant **(37)**
Chartered Global Management Accountant

Classification and Human Resources

Certified Compensation Professional **(2)**
Professional in Human Resources **(5)**
SHRM Certified Professional **(5)**

Information Technology

A+ Service Technician Certification
Certificated Network Telephony Engineer
CompTIA A+
CompTIA Security+
Microsoft Certified IT Professional
Microsoft Certified Solutions Expert
Microsoft Certified Systems Administrator
Microsoft Certified Systems Engineer
CompTIA Network+
SAS Certified Base Programmer for SAS 9

Investigations

Cellebrite Certified Operator
Cellebrite Certified Physical Analyst
Certified Electronic Evidence Collection Specialist
Certified Forensic Computer Examiner
Certified Forensic Interviewer
Certified Fraud Examiner **(6)**

Other

Certified Records Manager
Certified Texas Contract Developer
Certified Texas Contract Manager
Digital Archives Specialist
Licensed by the State Bar of Texas **(3)**





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Other activities that the State Auditor's Office performed were conducted in accordance with the following:

⁹ Texas Government Code, Section 321.020.

¹⁰ Title 31, United States Code, Section 7502.

¹¹ Texas Government Code, Section 2262.102.

¹² Texas Government Code, Section 2054.158.

¹³ Texas Government Code, Section 441.203.

¹⁴ Texas Internal Auditing Act (Texas Government Code, Sections 2102.009, 2102.0091, and 2102.015).

¹⁵ Texas Internal Auditing Act (Texas Government Code, Sections 2102.013 and 2102.014).

¹⁶ Texas Education Code, Section 51.9337.

¹⁷ Texas Government Code, Section 321.014.

¹⁸ Texas Health and Safety Code, Sections 552.102 and 555.102.

¹⁹ Texas Government Code, Section 321.0138.

²⁰ Texas Government Code, Section 301.028.





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Award

The State Auditor's Office received an award from a national organization, which is described below.

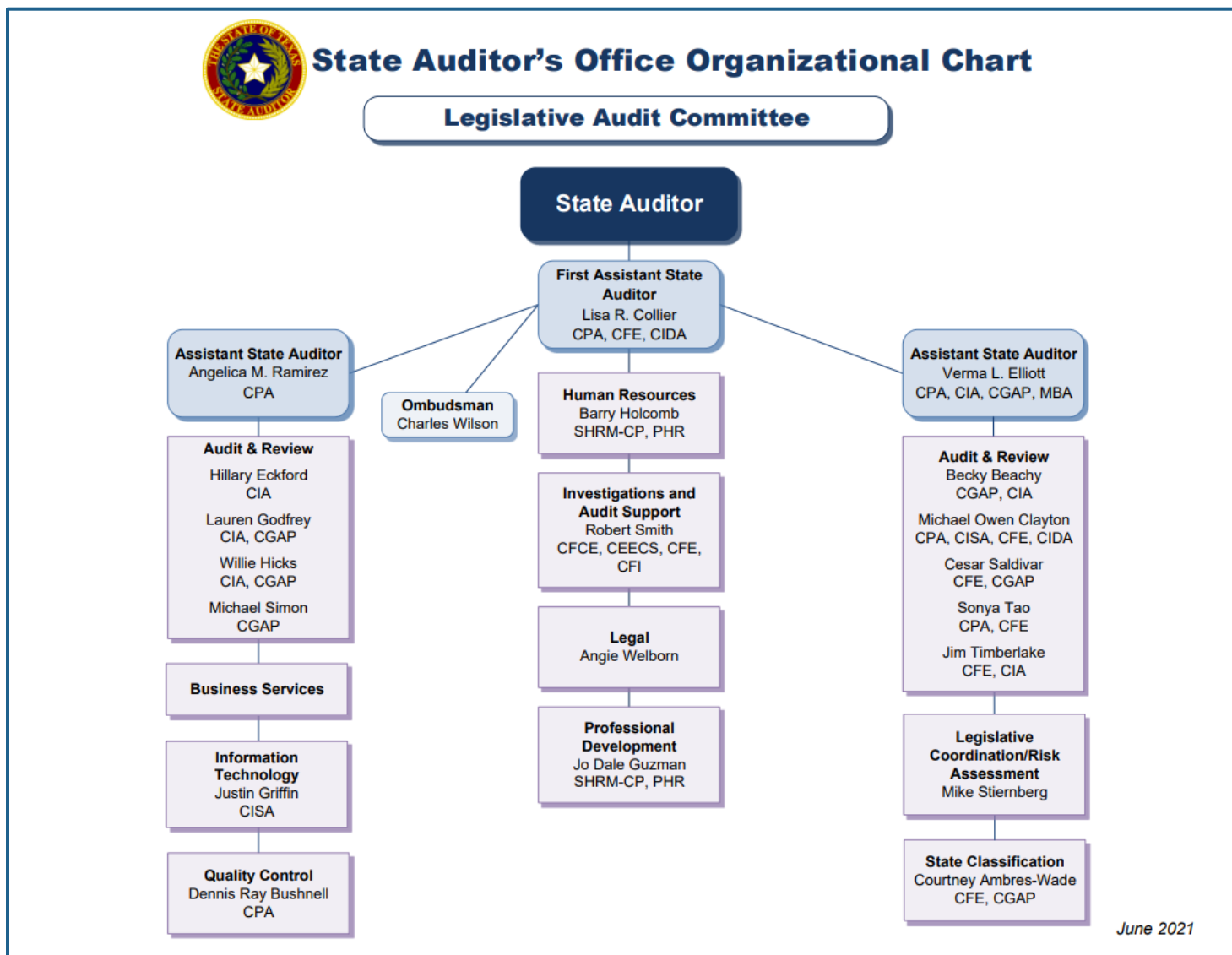
In June 2021, the National Legislative Program Evaluation Society (NLPES) announced that the State Auditor's Office would receive an NLPES Impact Award for *An Audit Report on Investigation and Prosecution Processes for Reported Sexual Assaults in Texas* (State Auditor's Office Report No. [21-002](#), October 2020). That award, which is given to state audit offices whose work demonstrates a public impact within their respective states, was presented in August 2021.





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Organizational Chart





The State Auditor's Office

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*Copies of this report have been
distributed to the following:*

87th Legislature

All members of the 87th Legislature

Office of the Governor

The Honorable Greg Abbott, Governor





The State Auditor's Office

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