

ANNUAL REPORT



The State Auditor's Office

Annual Report for Fiscal Year 2022

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

October 2022



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CPA, CFE, CIDA,
State Auditor

October 5, 2022

Members of the Legislative Audit Committee:

I am pleased to provide you with the State Auditor's Office (Office) fiscal year 2022 annual report. This report summarizes all audit work and other activities that the Office performed during fiscal year 2022, 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 44 reports that addressed risk across various topics and General Appropriations Act articles. Twenty-two of those reports relate to a requirement in statute or the General Appropriations Act (87th Legislature); five of these addressed legislative mandates from the 87th Legislature.
- The Office rated 111 audit findings. The majority of those findings (76 percent) were rated Low or Medium.
- The State Classification Team released seven reports, revised four guides, and maintained multiple online resources and systems.
- Professional Development offered 96 courses covering a variety of topics for state and local government entities and other organizations.
- The Office performed other activities, such as providing testimony and handouts during the 87th Legislative interim, 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.


I continue to look for new opportunities to address audit risks and communicate audit results. Specifically, I created a team to identify and analyze additional data sources for developing the annual audit plan and performing audit procedures. In addition, the Office recently redesigned its report formats to streamline audit results.


Thank you for your leadership and support. I also want to thank the state agencies, institutions of higher education, and other entities the Office audited for their professionalism and assistance.

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
State Auditor

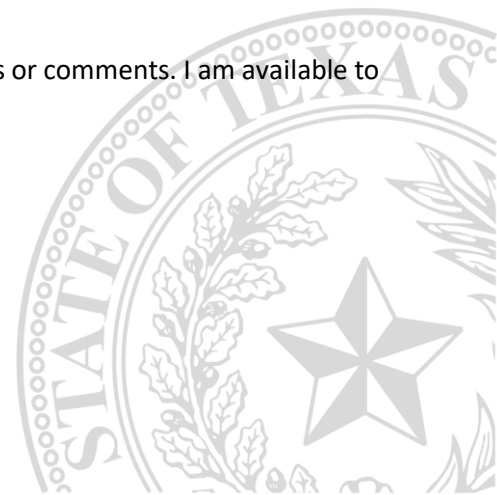
 Robert E. Johnson
Building
1501 N. Congress Avenue
Austin, Texas 78701

 P.O. Box 12067
Austin, Texas 78711-2067

 Phone:
(512) 936-9500

 Fax:
(512) 936-9400

 Internet:
www.sao.texas.gov





Annual Report for Fiscal Year 2022

- The Audit and Review Team and the State Classification Team released 51 reports and rated 111 findings. The majority of those findings (76 percent) were rated Low or Medium. Twenty-seven of those reports relate to a requirement in statute or the General Appropriations Act (87th Legislature).
- The Professional Development team provided 96 training courses internally and/or to state and local government entities and other organizations.

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

The State Auditor's Office (SAO) *Annual Report* highlights audit work and other activities our office performed during fiscal year 2022. As the independent auditor for Texas state government, our mission is to actively provide government leaders with useful information that improves accountability.

AUDIT AND REVIEW

The Audit and Review Team completed 44 reports from audits and other projects related to state agencies, higher education institutions, and other entities in fiscal year 2022. Five of those reports addressed legislative mandates from the 87th Legislature. | p. 5

CLASSIFICATION

The State Classification Team released seven reports, revised four guides, and maintained multiple online resources and systems in fiscal year 2022. Five of those reports related to a requirement in statute or the General Appropriations Act (87th Legislature). | p. 11

INVESTIGATIONS AND AUDIT SUPPORT

The Investigations and Audit Support Team investigates allegations of illegal acts and improprieties involving any entity that receives funds from the State. | p. 16

PROFESSIONAL DEVELOPMENT

The Professional Development Team coordinates and provides continuing professional education opportunities for auditors, accountants, managers, investigators, and other professional staff. | p. 17

OTHER ACTIVITIES

The SAO conducts other work authorized or required by general law and provisions of the General Appropriations Act. This includes participating in workgroups and committees, performing research, reviewing and monitoring agency activities, and other actions. | p. 21

- [Organizational Chart](#) | pg. 27

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.

Ratings Definitions

Auditors used professional judgment and rated the audit findings identified in SAO reports. The issue ratings identified in SAO reports were determined based on the degree of risk or effect of the findings in relation to the audit objective(s).

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.

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.

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.

LOW: The audit identified strengths that support the audited entity’s ability to administer the program(s)/function(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.

Ratings Issued in Fiscal Year 2022





44

Audits and Reports Related to State Agencies

22

Reports Relate to a Requirement in Statute or the General Appropriations Act

5

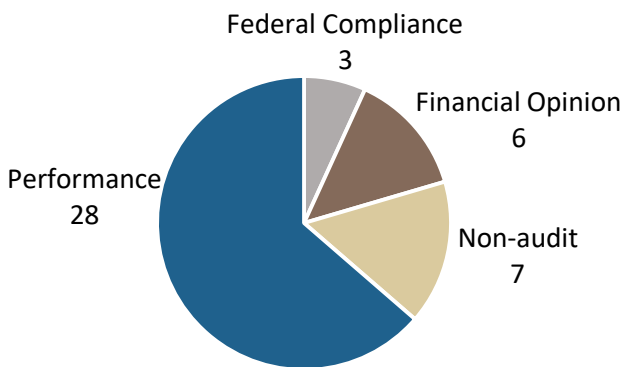
Addressed Mandates from the 87th Legislature

Types of projects performed by the Audit and Review Team included:

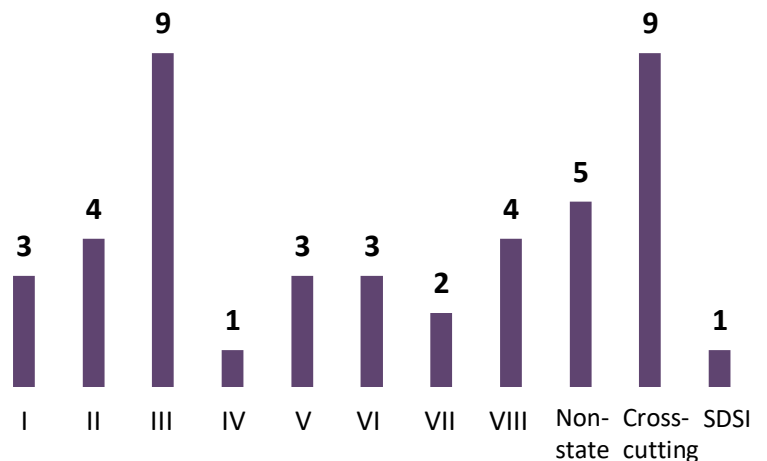
- Financial opinion audits.
- Federal compliance audits.
- Performance audits, including financial-related audits.
- Non-audit projects.


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. The figures below provide report information regarding the project type and article(s) addressed.




Reports by Type
















Reports by GAA Article








Report Title	Report Number	Release Date	Report Ratings
Article I: General Government			
An Audit Report on Selected Financial Transactions and Financial Reporting at the Texas Emergency Services Retirement System	22-009	12/10/2021	● ● ● ●
An Audit Report on Performance Measures at the State Preservation Board 	22-002	09/30/2021	
An Audit Report on Grants Management at the Cancer Prevention and Research Institute of Texas	22-001	09/16/2021	● ● ● ●
Article II: Health and Human Services			
Actuarial Analysis of the Health and Human Services Commission’s Fiscal Year 2023 Medicaid Managed Care Rates  	22-042	8/31/2022	
An Audit Report on the Health and Human Services Commission’s Oversight of the Medical Transportation Program	22-021	03/16/2022	● ● ● ●
An Audit Report on the Centralized Accounting Payroll/Purchasing System Financials at the Health and Human Services Commission	22-015	12/22/2021	● ● ● ●
An Audit Report on the Information Management Protecting Adults and Children in Texas (IMPACT) System at the Department of Family and Protective Services	22-011	12/16/2021	● ● ● ●
Article III: Education			
An Audit Report on the Audit of the Teacher Retirement System’s Fiscal Year 2021 Employer Pension and Other Post Employment Benefit Liability Schedules	22-033	06/07/2022	
An Audit Report on Selected State Entities’ Compliance with Benefits Proportional Requirements 	22-029	5/26/2022	● ● ● ●
Entities audited: <ul style="list-style-type: none"> ▪ Lamar Institute of Technology ▪ West Texas A&M University 			
 Indicates a report related to a requirement in statute or the General Appropriations Act (87th Legislature).			
 Indicates a report required by legislation enacted by the 87th Legislature.			

Report Title	Report Number	Release Date	Report Ratings
Article III: Education (continued)			
An Audit Report on Contracting at The University of Texas Health Science Center at Houston	22-026	04/12/2022	● ● ● ●
A Report on State of Texas Compliance with Federal Requirements for the Research and Development Cluster for the Year Ended August 31, 2021 (see the report for the higher education institutions audited)	22-019	02/23/2022	
An Audit Report on Certification of the Permanent School Fund’s Bond Guarantee Program for Fiscal Year 2021 	22-016	01/26/2022	
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 2021 Financial Statements	22-014	12/28/2021	
Entities audited: <ul style="list-style-type: none"> ▪ General Land Office ▪ Texas Education Agency 			
A Report on the Audit of the Teacher Retirement System’s Fiscal Year 2021 Financial Statements	22-012	12/20/2021	
An Audit Report on the Distribution of the National Research University Fund 	22-007	11/18/2021	● ● ● ●
Entities audited: <ul style="list-style-type: none"> ▪ Higher Education Coordinating Board ▪ The University of Texas at Arlington 			
An Audit Report on Selected State Entities’ Compliance with Benefits Proportional Requirements 	22-005	10/26/2021	● ● ● ●
Entities audited: <ul style="list-style-type: none"> ▪ Sam Houston State University ▪ Texas A&M University – Commerce 			
Article IV: The Judiciary			
An Audit Report on Financial Processes at the State Law Library	22-031	06/02/2022	● ● ● ●

Report Title	Report Number	Release Date	Report Ratings
Article V: Public Safety and Criminal Justice			
An Audit Report on Facilities Management at the Texas Military Department	22-040	08/19/2022	● ● ● ●
An Audit Report on the Department of Public Safety's Texas Gang Intelligence Database  	22-039	08/12/2022	● ● ● ●
An Audit Report on the Criminal Justice Information System 	22-017	01/28/2022	● ● ● ●
Article VI: Natural Resources			
An Audit Report on Licensing and Permitting Processes of the Industrial Hemp Program at the Department of Agriculture  	22-038	08/03/2022	● ● ● ●
An Audit Report on Financial Processes at the Commission on Environmental Quality	22-030	05/31/2022	● ● ● ●
An Audit Report on Selected Texas State Veterans Homes Contract Functions at the General Land Office and Veterans' Land Board	22-003	10/04/2021	● ● ● ●
Article VII: Business and Economic Development			
A Report on the Audit of the Department of Housing and Community Affairs' Fiscal Year 2021 Financial Statements 	22-013	12/27/2021	
An Audit Report on Contracting at the Texas Workforce Commission	22-004	10/05/2021	● ● ● ●
Article VIII: Regulatory			
An Audit Report on the Inspection Processes at the State Securities Board	22-037	08/01/2022	● ● ● ●
An Audit Report on Confidential Data Management at the Department of Insurance	22-028	05/12/2022	● ● ● ●
An Audit Report on Performance Measures at the State Office of Administrative Hearings 	22-018	02/17/2022	
An Audit Report on the Prescription Monitoring Program at the Board of Pharmacy	22-010	12/15/2021	● ● ● ●

Report Title	Report Number	Release Date	Report Ratings
Non-state Entities			
An Audit Report on Cook Children’s Health Plan, a Managed Care Organization 	22-036	07/18/2022	● ● ● ●
An Audit Report on the Red River Authority of Texas  	22-032	06/02/2022	● ● ● ●
A Summary of Financial and Performance Reports Submitted by Regional Planning Commissions  <i>(see the report for the regional planning commissions included)</i>	22-025	03/31/2022	
An Audit Report on On-site Financial Audits of Selected Residential Foster Care Contractors 	22-006	10/28/2021	● ● ● ●
Entities audited:			
<ul style="list-style-type: none"> ▪ ACH Child and Family Services’ Residential Treatment Center ▪ Children’s Hope Residential Services ▪ City of Hope Missions ▪ Hope Rising ▪ The Children’s Shelter of San Antonio 			
An Audit Report on Selected Groundwater Conservation Districts 	22-008	11/22/2021	● ● ● ●
Entities audited:			
<ul style="list-style-type: none"> ▪ Coke County Underground Water Conservation District ▪ Lost Pines Groundwater Conservation District ▪ Rusk County Groundwater Conservation District ▪ Hudspeth County Underground Water Conservation District No. 1 ▪ Mesquite Groundwater Conservation District ▪ San Patricio County Groundwater Conservation District 			
Self-directed, Semi-Independent Agency			
An Audit Report on the Office of Consumer Credit Commissioner: A Self-directed, Semi-independent Agency 	22-023	03/31/2022	● ● ● ●

Report Title	Report Number	Release Date	Report Ratings
Cross-cutting			
An Audit Report on Incentive Compensation at the Permanent School Fund, General Land Office, Teacher Retirement System, and Employees Retirement System	22-041	08/25/2022	● ○ ○ ○
A Report on the Implementation Status of Prior State Auditor’s Office Recommendations 	22-035	07/18/2022	
Implementation status verified for:			
<ul style="list-style-type: none"> ▪ Board of Chiropractic Examiners ▪ Department of Criminal Justice ▪ Department of Housing and Community Affairs 	<ul style="list-style-type: none"> ▪ Department of Information Resources ▪ Facilities Commission ▪ School for the Deaf 	<ul style="list-style-type: none"> ▪ Texas State University ▪ The University of Texas Medical Branch at Galveston ▪ The University of Texas System Administration 	
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)	22-034	6/16/2022	
A Report on Contract Monitoring Assessment at Certain State Agencies  (see the report for the 25 agencies and higher education institutions included)	22-027	4/28/2022	
A Report on the Methodology for Examining and Reporting on Emergency Communication Systems and Their Utilization 	22-024	03/31/2022	
A Report on the Delegation of Authority to State Entities to Contract for External Audit Services  (see the report for the state entities included)	22-022	03/24/2022	
State of Texas Financial Portion of the Statewide Single Audit Report for the Year Ended August 31, 2021 (see the report for the state entities audited)	22-555	02/28/2022	
State of Texas Federal Portion of the Statewide Single Audit Report for the Year Ended August 31, 2021 (see the report for the state entities audited)	22-320	02/25/2022	
A Report on State of Texas Compliance with Federal Requirements for the Provider Relief Fund (COVID-19 Relief) for the Year Ended August 31, 2021 (see the report for the state entities audited)	22-020	02/23/2022	



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 2022, the State Classification Team released seven reports, revised four guides, and maintained multiple online resources and systems, which are listed on the following pages. Five of those reports were related to a requirement in statute or the General Appropriations Act (87th Legislature). 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*

1.7 Million Visits

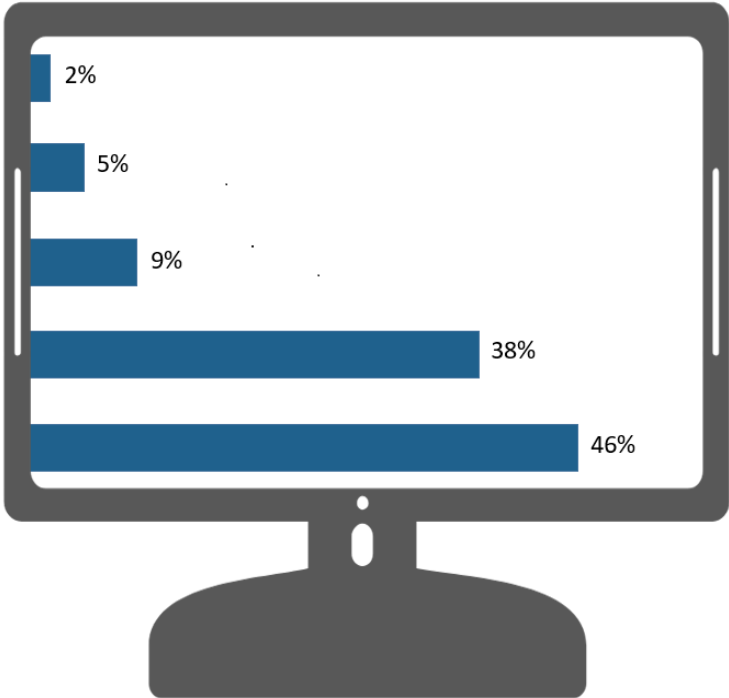
Workforce Analysis:
31,925

**Reports /
HR Statutes Inventory:**
77,930

Online Systems:
155,755


**Guidance/
Holiday Schedule:**
645,776

**Job Descriptions/
Military Crosswalk:**
783,745



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

Report Title	Report Number	Release Date	Report Ratings
A Report on Executive Compensation at State Agencies 	22-706	08/29/2022	
A Report on State Employee Benefits as a Percentage of Total Compensation for Fiscal Year 2021	22-705	06/03/2022	
A Classification Compliance Audit Report on Property Management and Procurement Positions at Selected Education Agencies  Entities audited: <ul style="list-style-type: none"> ▪ Teachers Retirement System ▪ Texas Education Agency 	22-704	05/27/2022	● ● ● ●
A Summary Report on Full-time Equivalent State Employees for Fiscal Year 2021 	22-703	03/17/2022	
An Annual Report on Classified Employee Turnover for Fiscal Year 2021 	22-702	03/15/2022	
A Classification Compliance Audit Report on Systems Analyst Positions at Health and Human Services Agencies  Entities audited: <ul style="list-style-type: none"> ▪ Department of Family and Protective Services ▪ Department of State Health Services ▪ Health and Human Services Commission 	22-701	02/09/2022	● ● ● ●
Texas Human Resources Management Statutes Inventory	22-303	10/05/2021	

 Indicates a report related to a requirement in statute or the General Appropriations Act (87th Legislature)

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

- [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

- [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

- [Sick Leave Guide \(Revised\)](#)
- [Sick Leave Donation Guide \(Revised\)](#)

The *Sick Leave Guide* and *Sick Leave Donation Guide* provide an overview of applicable requirements for state employees at agencies and higher education institutions.³

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

Other State Classification Team Activities

FTE Employees

[Full-time Equivalent \(FTE\) Employee Reporting Instructions and Information \(Revised\)](#)

The *Full-time Equivalent (FTE) Employee Reporting Instructions and Information* includes resources and reporting instructions to assist state agencies and higher education institutions in accurately reporting their FTE positions and related data to the State Auditor's Office's FTE System quarterly.⁸

Position Classification Plan

[Job Classification Review Guide \(Revised\)](#)

The *Job Classification Review Guide* is designed to assist agencies in determining when to review jobs for compliance with the State's Position Classification Plan and how to conduct a job analysis.²

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.



The Investigations and Audit Support (IAS) Team 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, telephone, mail, and previously scheduled in-person meetings. IAS also provides fraud-related training and presentations.

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

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

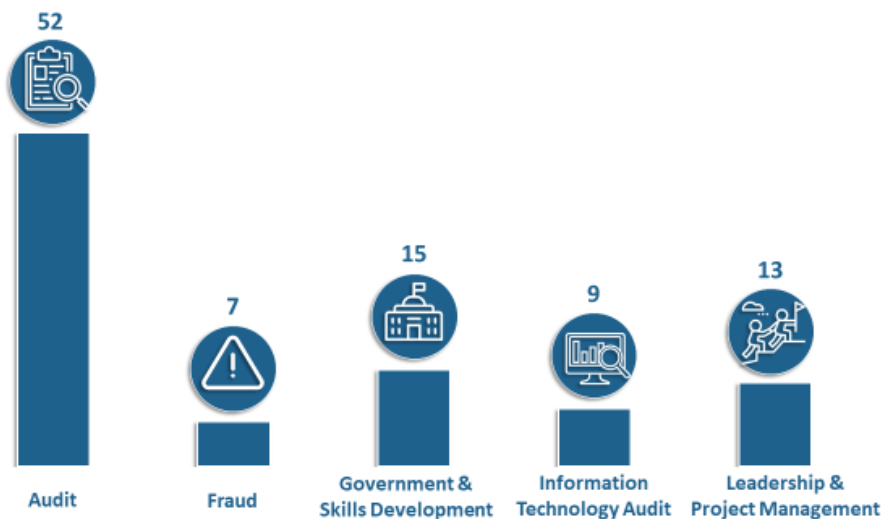


The Professional Development Team coordinates and provides continuing professional education (CPE) opportunities for auditors, accountants, managers, investigators, and other professional staff. During fiscal year 2022:

- Professional Development provided 96 training courses, totaling 13,676 CPE hours, to internal and external participants.
- A total of 646 public and private sector employees attended the training courses.
- Employees of 64 state and local government entities and other organizations received training.

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>

Courses Offered by Professional Development Internal and External Courses

- Achieving Better Audit Results through Critical Thinking
- Active Listening for Auditors
- Advanced Linux/Unix for Auditors
- Ask Better Questions, Get Better Answers, Perform Better Audits
- Auditing for Efficiency and Effectiveness with Continuous Improvement Tools
- Auditing Virtually: Essential Tools & Techniques
- Case Studies: Using Data Analytics to Investigate Fraud
- Change Management: Nothing Stays the Same
- Commonly Overlooked Issues in Fraud Prevention and Detection
- Contracting Fraud Risk Management
- Data Driven vs. Ethical Decision Making
- Expanding Your Knowledge of Excel Functions (Offered Twice)
- Financial Statement Fraud Detection: Forensic Accounting and Analysis
- First Aid/CPR/AED (Offered Twice)
- Fraud Prevention and Detection in Government Procurement and Contracting
- Fundamental Goals of Cybersecurity
- Fundamentals of Statistics
- Government Fraud Cases & Their Lessons (Offered Twice)
- Internal Controls - Effective Identification & Testing (Offered Twice)
- Interpersonal Skills for Auditors
- Intro Linux/Unix for Auditors
- Introduction to IT Audit
- Introduction to SQL (Offered Twice)
- Leading in the Future: Inspiring Your Team
- Overview of Amazon Web Services Security and Controls
- Project Management Fundamentals for Audit (Offered Twice)
- Revisiting Risk Assessments after COVID-19
- Role of the Supervisor: Mentoring and Leading Your Team
- The Art of Gathering and Validating Data for Analytics (Offered Twice)
- The Bermuda Triangle of Leadership – Leading Through Change | Managing During Adversity | Confronting Underperformers (Offered Twice)
- Using Excel PivotTables, Power Pivot and Power Query to Analyze Data (Offered Twice)

Courses Offered by Professional Development Internal-Only Courses

- 6 Ways to Pick Up the Pace without Increasing Your Stress
- Developing Graphics for Reports: An Introduction
- Facilitating, Micromanaging, or Abandoning, What is Your Leadership Style?
- First Level Review Expectations (Peer Mentors)
- Foundations of Leading (Parts 1-3)
- How Coaching the Team Can Improve the Reporting Process
- Hybrid Work Management: Managing Remote and Onsite Employees
- Introduction to SOC for Service Organizations Reporting
- IT Audit at the SAO
- New Auditor Training - Multiple Courses (Offered Twice)
- Practical SQL Tips
- Records Management, Open Records and Confidential Information
- Risk Assessment: It's More than an Audit Step
- Testimony Training for Project Managers (Offered Three Times)
- Understanding Program Processes
- Understanding the Intent Behind Audit Policies and Procedures
- You've Completed Fieldwork, Now What?

Other Professional Development Activities

Audit Conference

The State Auditor's Office hosted the 2022 Audit Conference in August 2022. A total of 225 state and local government auditors attended the two-day conference, which featured sessions focused on audit essentials, current events impacting audit, 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.

Twenty participants attended 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

The State Auditor's Office's Professional Development Team and members of management instructed the following courses for other organizations, including the Health and Human Services Commission, the Texas State Agency Business Administrators' Association (TSABAA), the Texas Fiscal Officers' Academy, and the Emerging Leaders Conference (NASACT):

- Bouncing Back from Stress and Burnout.
- Communicating Upward.
- Ensuring Standards of Professional Conduct.
- Leading Multiple Generations.
- Legislative Audits and Reviews.
- Managing Different Personalities.
- Productivity Style Coaching.
- Recruiting/Hiring Brainstorm.
- State Classification Office: What CFOs Need to Know.
- Understanding Your Productivity Style.
- What is Accountability and Transparency?
- Working Together: Generations in the Workplace.

Professional Development Team activities are conducted in accordance with Texas Government Code, Section 2102.012.



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.

Statutory 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

These statutory 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.

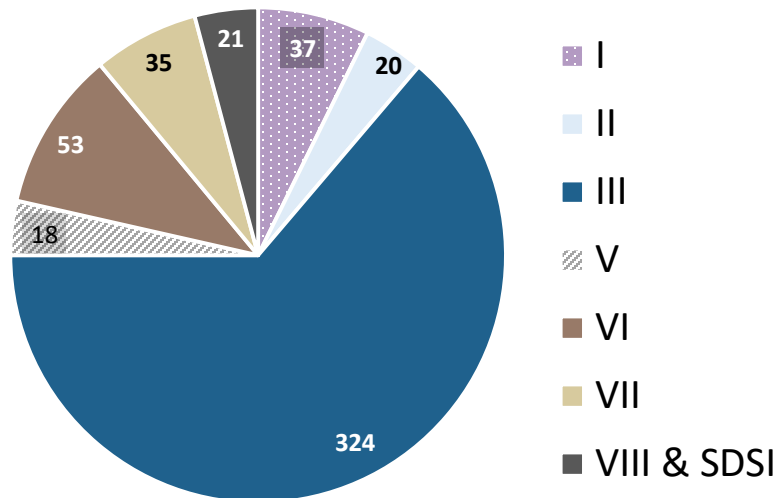
¹² Texas Government Code, Section 2054.158.

¹³ Texas Government Code, Section 441.203.

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 508 periodic internal audit reports that the State Auditor’s Office received during fiscal year 2022.)
- 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 Article



Internal audit activities that the State Auditor’s Office performed were conducted in accordance with the following:

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.

Other Statutory and Outreach Activities

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 letters and handouts for House and Senate Committees regarding related State Auditor’s Office reports. These materials were provided in response to the 87th Legislature interim committee charges issued by the Speaker of the House of Representatives in March 2022 and the Lieutenant Governor in April 2022.
- Presented a State Auditor’s Office update to the Texas Association of College and University Auditors.
- Presented fraud reporting requirements at the Texas State University System’s Internal Audit Forum and the Texas State Agency Internal Audit Forum.

Other statutory and outreach activities that the State Auditor’s Office performed were conducted in accordance with the following:

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.

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:

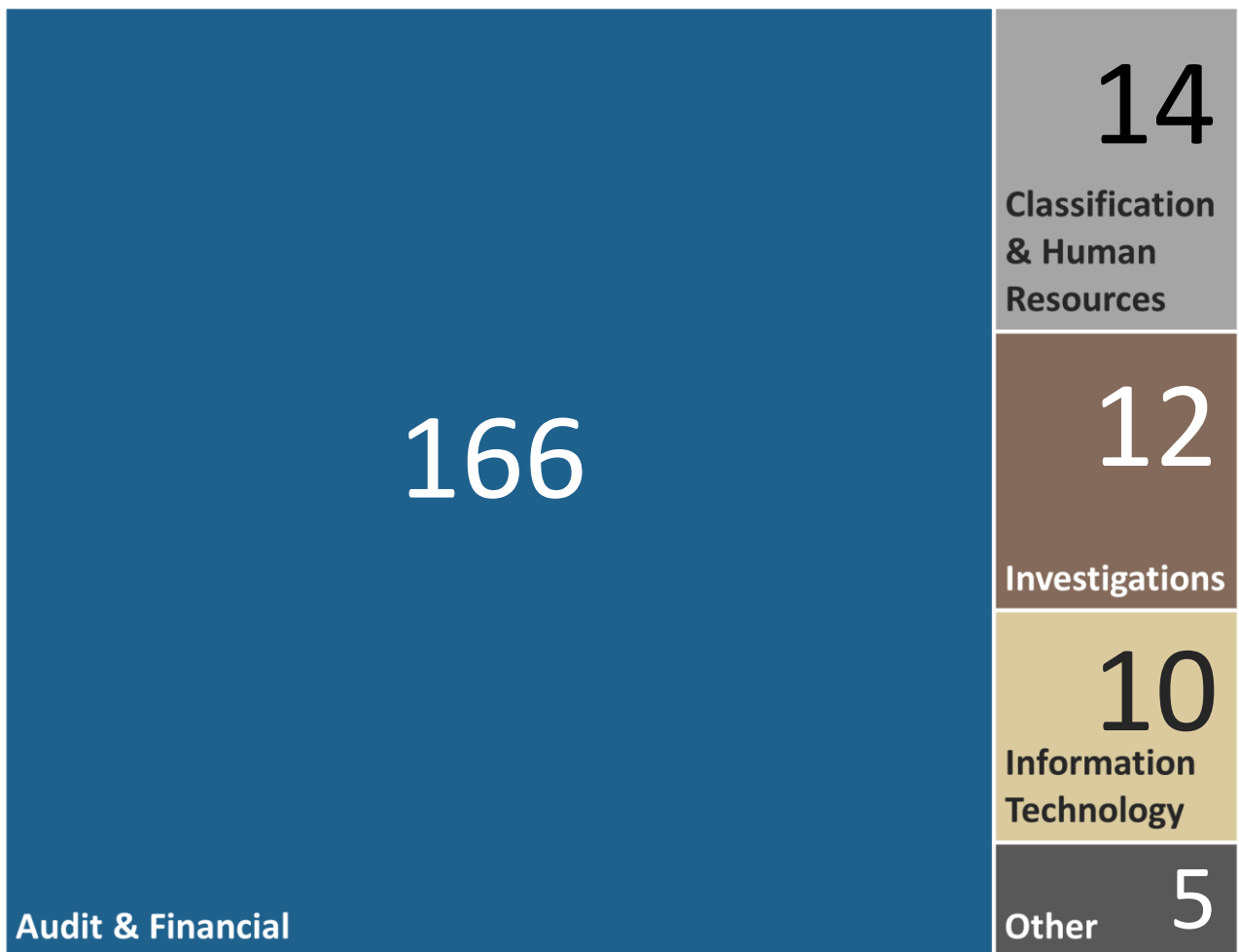
- The executive committee of the Southwest Intergovernmental Audit Forum (SWIAF), which promotes communication, coordination, and cooperation among the federal, state, and local audit agencies throughout the region to foster effectiveness and efficiency of governmental operations. Ms. Collier is currently 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.

Certifications

As of September 2022, State Auditor’s Office personnel held 207 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



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 (56)
 Certified Government Auditing Professional (23)
 Certified Government Financial Manager (2)
 Certified Information Systems Auditor (15)
 Certified Internal Auditor (23)
 Certified Internal Controls Auditor (3)
 Certified Investments and Derivatives Auditor (5)
 Certified Public Accountant (32)
 Chartered Global Management Accountant

Classification and Human Resources

Certified Compensation Professional (2)
 Professional in Human Resources (6)
 SHRM Certified Professional (6)

Information Technology

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

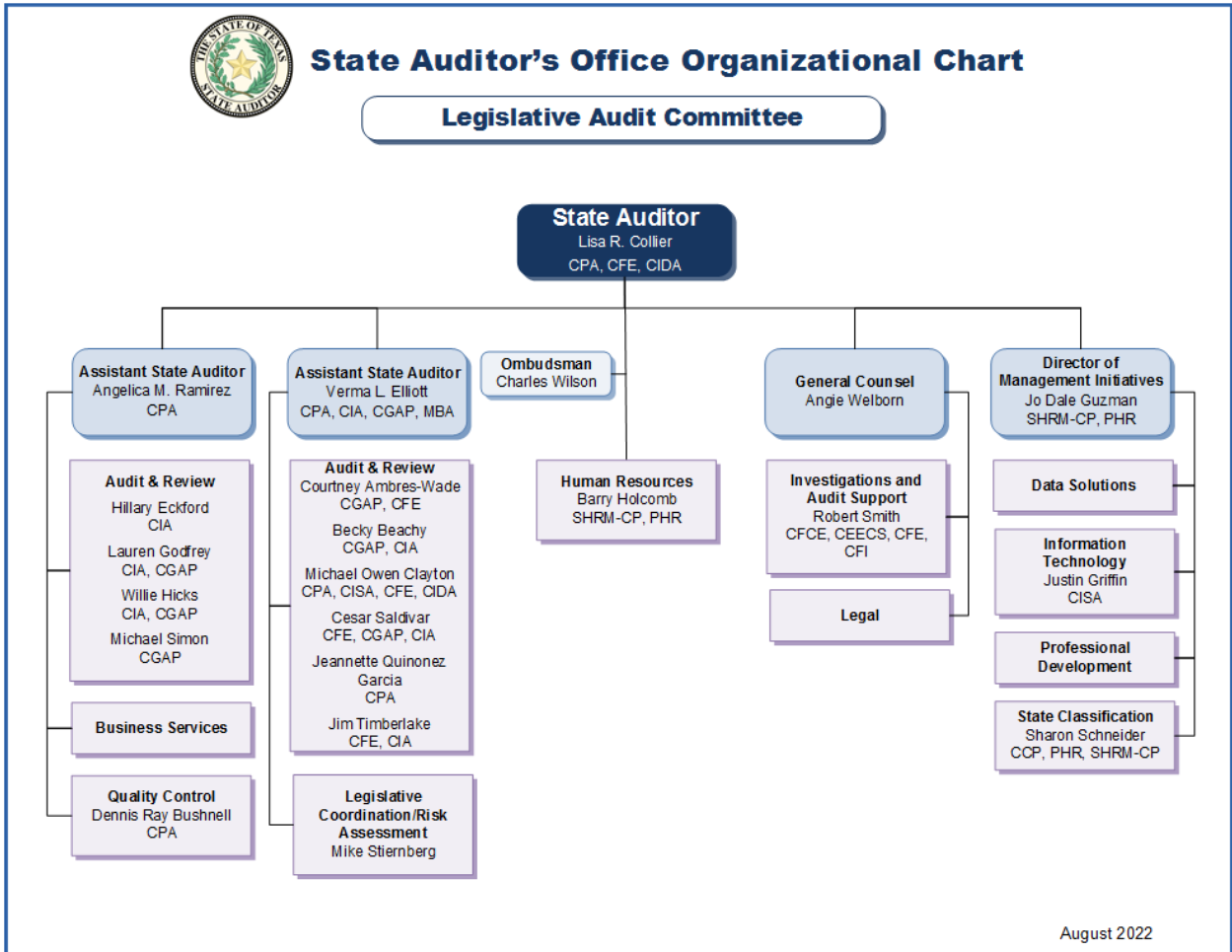
Investigations

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

Other

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

Organizational Chart





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



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