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Internal Auditing, a tool to enhance TDCJ operations

By Leopoldo R. Vasquez III, Secretary

Internal auditing is a tool to help organizations succeed. By measuring and evaluating operations, internal auditors provide independent assurances that work is running smoothly. Their work includes reviewing the efficiency and effectiveness of operations; compliance with governing laws, rules and regulations; and the reliability of financial and operational reports. It also ensures effective internal controls exist to help prevent errors and deficiencies, and to safeguard assets.

To allow for objective and independent assessments, the Texas Department of Criminal Justice (TDCJ) Internal Audit Division reports to the Texas Board of Criminal Justice. Its placement under the board is in accordance with board policy and the Texas Internal Auditing Act. In addition to its organizational placement, the Texas Internal Auditing Act specifies the qualifications for and duties of the internal auditor, the operational requirements of the program, and the requirement for the board to approve an annual audit plan developed by the internal auditor.

The annual audit plan identifies potential risks and sets forth the audits to be conducted over the next fiscal year. The plan is prepared using risk assessment techniques and input received from the board and the agency's senior staff. The plan includes periodic audits on the agency's operations and major accounting, administrative, and data processing systems and controls, as well as follow-up audits, to determine the status of corrective action being taken as a result of a prior audit.

Walk Throughs and Action Plan Tracking are also a part of the annual audit plan. Walk Throughs are scheduled to assist in the development of future audit plans by increasing the division's knowledge of unaudited areas of the agency. Action Plan Tracking monitors the status of action plans developed in response to prior audits conducted by the Internal Audit Division or the State Auditor's Office. This tracking process is a



Leopoldo R. Vasquez III

relatively new feature of the audit plan. It was added at the request of the TDCJ Executive Director Brad Livingston, to ensure the implementation of remedial measures occur as recommended.

The success of any internal audit process is contingent on the support of the organization's management team, and the TDCJ Internal Audit Division has a long-standing, supportive relationship with the agency's leadership. TDCJ Internal Audit staff work in partnership with other departments and divisions of the agency with an overall goal to improve operations and mitigate risk.

As an auditing function, the Internal Audit Division is required to establish and maintain a system of quality control designed to provide reasonable assurance that the program and its staff comply with professional standards and applicable legal and regulatory requirements. An internal assessment begins with ongoing reviews of working papers by division leadership to ensure conformity with division standards in form and content. It also provides assurance on the

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accuracy, sufficiency and appropriateness of audit evidence. In addition to these continual supervisory reviews, periodic assessments are made on completed projects to evaluate compliance with standards and policies, and the effectiveness of the project.

The Internal Audit Division is also subject to external assessments known as peer reviews. These reviews are required every three years by board policy, auditing standards and the Texas Internal Auditing Act. Conducted by a team of contracted professional auditors, these reviews evaluate the division's system of quality control to ensure it is suitably designed. The review also assesses the division's compliance with the quality control system to provide reasonable assurance of conformance with professional standards.

In any organization, the role of an internal auditor is to provide assurance that leadership can rely on the organization's processes to minimize risk and achieve objectives, and to recommend ways to improve operations and address potential risks or deficiencies. TDCJ leadership understands the value of internal auditing and welcomes the division's review of their programs and departments, knowing it will provide objective assessments and recommendations with a focus to enhance overall operations. ●