



## Texas Board of Criminal Justice Internal Audit Division Audit Plan Modification Letter

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October 18, 2022

To: Ms. Sarah Hicks, Governor's Office Budget and Policy Division  
Mr. Christopher Mattsson, Legislative Budget Board  
Ms. Lisa Collier, CPA, State Auditor

Re: Modification to the Texas Board of Criminal Justice Internal Audit Plan for Fiscal Year 2022

Dear Ladies and Gentlemen,

Pursuant to the *State Auditor's Office Fiscal Year 2021 Guidelines for Submitting and Posting the Internal Audit Annual Report and Periodic Internal Audit Reports*, we are providing the attached modified Internal Audit Plan for Fiscal Year 2022. This change reflects the removal of three projects from the approved plan to allow for audit work in other areas. These include projects 2210, 2212, and 2213.

The Texas Board of Criminal Justice was advised of this modification during the October 14, 2022 board meeting.

If you have any questions, please do not hesitate to call.

Sincerely,

A handwritten signature in blue ink, appearing to read "CCF", is positioned above the typed name of the Chief Audit Executive.

Chris Cirrito, CIA, CFE, CGAP  
Chief Audit Executive  
Texas Board of Criminal Justice  
Internal Audit Division

Cc: TBCJ members  
Bryan Collier, TDCJ Executive Director  
David Gutierrez, Texas Board of Pardons and Paroles Chairman  
Kristina Hartman, Windham School District Superintendent

Attachment

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Internal Audit Division  
Chris Cirrito, CIA, CGAP, CFE, Chief Audit Executive  
[www.tdcj.texas.gov](http://www.tdcj.texas.gov)



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# MODIFIED FISCAL YEAR 2022 ANNUAL AUDIT PLAN

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Texas Board of Criminal Justice  
Internal Audit Division

October 18, 2022

**Chris Cirrito, CIA, CFE, CGAP**  
**Renee Russell, CIA, CGAP**  
**Kristy Bailey, CIA, CGAP**  
**Charlotte Jeffcoat, CGAP**  
**Cheryl Foreman, JD, CIA, CRMA**

**Chief Audit Executive**  
**Deputy Chief Audit Executive**  
**Director of Support Services**  
**Director of Audit Services**  
**Audit Manager**

PROJECT NUMBER	PROJECT TITLE, DIVISION(S) & PROJECT HOURS	JUSTIFICATION	OBJECTIVE
2201	<p><b>Risk Based Monitoring and Fraud Awareness Consultation</b></p> <p><i>Administrative Review and Risk Management Division</i></p> <p>Project Hours: As needed.</p>	<p>The concept of self-auditing began within the Texas Department of Corrections in 1984, with the establishment of the Office of Compliance in response to monitor reports regarding specific functional areas prepared by the Special Master of the Ruiz case. When the final Ruiz case judgment was issued in December of 1992, this function was renamed as Operational Review and expanded to monitor and determine policy compliance with all aspects of unit level operations.</p> <p>Currently, the Operational Review program utilizes 34 functional area checklists consisting of questions developed by each functional area proponent to conduct unit, division, and division level follow-up compliance reviews of unit-based operations on both TDCJ and privately operated units.</p> <p>We will assist management by providing non-audit advisory services during agency efforts to revise methodologies and consider fraud risk related to the division level compliance monitoring activities. As such, we have evaluated this consultation and do not believe it will interfere with nor compromise our objectivity and ability to maintain independence to conduct future audits in this area.</p> <p>This project was included on our fiscal year 2021 audit plan as Operational Review Consultation (2101). During fiscal year 2021 the TDCJ Executive Director requested this project be extended to include all TDCJ divisions and we added a one-day introductory fraud awareness component to our educational material. As a result, this project remains ongoing with the new title of Risk Based Monitoring and Fraud Awareness Training.</p>	<p>To provide advice related to determining whether monitoring activities cover the most important areas and consider fraud risk and whether monitoring methodology identifies areas in need of management action.</p>
2202	<p><b>Corrections Information Technology System Consultation</b></p> <p><i>Information Technology Division</i></p>	<p>According to the Information Technology Division, the TDCJ's legacy mainframe system is more than 40 years old, costs the agency approximately \$450 thousand per month, and does not interface with current technology. Fifty percent of the Information Technology Division's programming time is spent on mainframe system maintenance using the antiquated COBOL programming language no longer taught in the profession.</p> <p>At the close of the 87<sup>th</sup> Legislative Session, the TDCJ was appropriated \$24.2 million in funding for fiscal years 2022 and 2023 to modernize the current legacy</p>	<p>To provide advice regarding risks and internal controls during efforts to implement the Corrections Information Technology System.</p>

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	Project Hours: As needed.	<p>mainframe system. The new cloud-based Corrections Information Technology System (CITS) will replace 41 legacy applications, 96 stand-alone Access databases, and will integrate business intelligence applications such as digital dashboards, data analytics, and ad-hoc reporting.</p> <p>We will assist management by providing non-audit advisory services during agency efforts to purchase and implement the new system. As such, we have evaluated this consultation and do not believe it will interfere with nor compromise our objectivity and ability to maintain independence to conduct future audits in this area.</p>	
2203	<p><b>Public Funds Investment</b></p> <p><i>Business and Finance Division</i></p> <p><i>Windham School District</i></p> <p>Project Hours: 984</p>	<p>The Texas Department of Criminal Justice operates an account system of inmates' money. This money is held in trust for inmate use while incarcerated. In total, these trust funds have historically averaged approximately \$20 million which the agency invests in short-term, liquid investments. The Windham School District operates 12 months a year but is funded over ten payments during the school year by the Texas Education Agency. The funds not immediately necessary for operations have historically averaged approximately \$12 million and are invested in short-term, secure, liquid investments.</p> <p>The State Auditor's Office performs a legislatively mandated bi-annual, statewide audit of these investments and we anticipate they will request our assistance in the performance of that audit. Therefore, as in prior years, we have included this audit in our proposed plan.</p>	To determine whether the Texas Department of Criminal Justice and the Windham School District are in compliance with the Public Funds Investment Act.
2204	<p><b>Employment Services</b></p> <p><i>Reentry and Integration Division</i></p> <p>Project Hours: 1,968</p>	<p>Obtaining sustainable employment with living wages is a significant barrier inmates experience after release from prison. To prepare inmates for a successful return to the community, the Reentry and Integration Division provides a three-phased reentry program. The third phase, Community Reentry Services, provides post-release individual case management, employment readiness training, and employment services with an emphasis on assisting the formerly incarcerated with obtaining sustainable employment.</p> <p>Employment service efforts include hosting job fairs; leveraging technology such as social media and the Website for Work to match qualified released inmates with</p>	To determine the effectiveness of efforts to assist parole supervision clients in obtaining appropriate and sustainable employment.

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		employers; and, partnering with local community service providers offering job skills training such as basic computing skills, completing employment applications, resume writing, interviewing, and dressing for success.	
2205	<b>Security Equipment</b>  <i>Correctional Institutions Division</i>  <i>Information Technology Division</i>  Project Hours: 2,624	<p>Security Operations and the Information Technology Division provide technical assistance and operational support to Correctional Institutions Division administration and correctional facilities in the areas of staffing, armory, budget, security review, field and canine operations, research and technology, and video surveillance.</p> <p>All agency correctional facilities and training locations maintain an armory operation. These operations are responsible, at the local level, for ensuring adequate supplies of necessary security equipment are available and maintained in proper working condition. Security related equipment includes items such as chemical agents and delivery systems, restraint equipment, protective gear, recording and viewing equipment, firearms and ammunition, and communication equipment. Other related security equipment used to detect the introduction of contraband into correctional facilities and aid in its confiscation includes body-orifice scanning chairs, walk-through and handheld metal detectors, and parcel scanners.</p>	To determine whether correctional units are allotted adequate inventories of security equipment and the equipment is effectively maintained.
2206	<b>Student Contact Hour Tracking</b>  <i>Windham School District</i>  Project Hours: 1,476	<p>The Texas Education Code (TEC) provides for the operation of the Windham School District through funding received from the foundation school fund of the Texas Education Agency, through appropriated receipt agreements with the Texas Department of Criminal Justice, and through the use of awarded grant funds. Under section 19.008 of the TEC, the Commissioner of Education allocates funds to the district based on an amount established in the General Appropriations Act for each contact hour between a teacher and a person eligible, including administrative costs, for the best 180 of 210 school days in each year of the state's fiscal biennium.</p> <p>Student attendance records are among the most essential records maintained by the Windham School District for reporting, as contact hours are the basis for the district's funding. For fiscal year 2020, the district reported 12,439,163 contact hours received by students attending both academic and career and technical</p>	To determine the efficiency of the processes to track student contact hours in the Windham School District's academic and career and technical education programs.

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		<p>education programs. The contact hour rates for the 2020-2021 biennium are approximately \$4.48 per hour for academic education and \$3.67 per hour for career and technical education.</p> <p>Management requested this audit.</p>	
2207	<p><b>Program Referrals</b></p> <p><i>Parole Division</i></p> <p>Project Hours: 1,476</p>	<p>Inmates released on parole or mandatory supervision may have special conditions imposed by a parole panel requiring program participation and completion as a condition of their supervision. Program referrals may also be made by the supervising parole officer should specific needs be identified to assist the client's reintegration within the community. Examples of these programs include anger control training and counseling, cognitive skills and parenting classes, battering intervention and prevention programming and domestic violence counseling, basic educational and vocational training, sex offender treatment and counseling, substance abuse treatment and counseling, substance abuse recovery support groups, special needs offender programming, and employment assistance and training.</p> <p>Identifying, referring, and enrolling parole clients into these programs is completed by the supervising parole officer during the client's initial office visit or no later than five business days after the client's initial report day or special condition imposition.</p>	<p>To determine the effectiveness of the processes to identify parole division clients for programs and make appropriate referrals.</p>
2208	<p><b>Legal Opinions</b></p> <p><i>Office of the General Counsel</i></p> <p>Project Hours: 1,476</p>	<p>At times, authorized TDCJ management and staff may seek formal and informal legal opinions or ad hoc legal advice from the Office of the General Counsel (OGC) regarding work-related matters. These requests may be initiated in person, through a written request, or through a phone call. The purposes of seeking these opinions or advice are to receive an attorney's legal conclusion about, or legal analysis of, the legal effect of an operation or matter based on present facts or law, or to receive counsel or guidance as to what future action should be taken by the requestor regarding a work-related operation or matter.</p> <p>Once a request for a legal opinion or advice is received, it is reviewed by an attorney in consultation with OGC management for determination of opinion type response. Based on issue complexity, likelihood of repetition, or issue sensitivity</p>	<p>To determine the effectiveness of processes to request, receive, review, and provide and respond to legal opinions.</p>

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		<p>a determination is made whether a formal or informal legal opinion is warranted. Responses warranting an informal legal opinion or ad hoc legal advice are provided by the OGC orally or in writing through an email. Responses warranting a formal legal opinion are submitted by the OGC in writing as a hard copy or email attachment using a standardized format including the following information: identified issue or question to be answered, a discussion of all facts on which the conclusion is based, and a conclusion addressing the issue or answering the question posed. For fiscal year 2020, the OGC reported two formal legal opinions and 205 informal legal opinions were provided to authorized TDCJ management and staff.</p> <p>The Chairman of the Texas Board of Criminal Justice requested this audit.</p>	
2209	<p><b>Community-Based Contracts</b></p> <p><i>Private Facility Contract Monitoring and Oversight Division</i></p> <p>Project Hours: 2,624</p>	<p>The Private Facility Contract Monitoring and Oversight Division is responsible for monitoring compliance with contractual requirements for eight community-based privately operated residential reentry (halfway house) and 19 transitional treatment center locations. These contracts are designed to ensure both public safety and the health, safety, and treatment of the client residents.</p> <p>Parole supervision clients without an approved residence are placed in a residential reentry center either immediately upon release from prison or upon referral from parole field staff in the event the client no longer has an approved residence. Transitional treatment centers provide substance abuse aftercare treatment to clients on parole supervision or community supervision. Clients completing a Substance Abuse Felony Punishment Facility or In-prison Therapeutic Community treatment program may be placed in a transitional treatment center for up to 90 days to participate in the initial phase of their treatment programming as part of their continuum of care.</p> <p>The Private Facility Contract Monitoring and Oversight Division reported fiscal year 2020 expenditures totaling approximately \$32,213,608.00 for residential reentry center contracts and \$29,976,392.00 for transitional treatment center contracts.</p>	To evaluate the effectiveness of efforts to monitor community-based residential reentry and transitional treatment center contracts.

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2210	<p><b>Inmate Safety Training</b></p> <p><i>Administrative Review and Risk Management Division</i></p> <p><i>Correctional Institutions Division</i></p> <p><i>Facilities Division</i></p> <p><i>Manufacturing, Agribusiness, and Logistics Division</i></p> <p><i>Private Facility Contract Monitoring and Oversight Division</i></p> <p><i>Windham School District</i></p> <p>Project Hours: 2,624</p>	<p>Providing and maintaining a safe work and educational environment for inmates throughout their incarceration is a responsibility of both the Texas Department of Criminal Justice and the Windham School District. To meet unit specific and individual rehabilitative needs, inmates are assigned to and provided various jobs and career and technical education program training opportunities for the purpose of preparing them for successful reentry into the community upon release.</p> <p>As such, each supervisor or teacher has the responsibility to facilitate, and document required safety training within each department or classroom. This is accomplished using four types of safety training: safety orientation during the intake process; initial job training demonstrating the safe operation and use of the equipment, tools, chemicals, and the identification of any associated or potential hazards; monthly safety training sessions relating to the work being performed and general safety requirements; and annual or specific needs training to increase job efficiency and reduce accident exposure.</p>	<p><b>Project deleted due to focus on emerging risk in other areas.</b></p>
2211	<p><b>ISF/SAFPF Probationer Placements and Removals</b></p> <p><i>Community Justice Assistance Division</i></p> <p><i>Correctional Institutions Division</i></p>	<p>The Continuum of Care for Substance Abuse Treatment is a statewide intervention model for probationers on community supervision who have substance abuse problems and have been court ordered to treatment services. As alternatives to incarceration, substance abuse treatment intervention options include the use of secure Intermediate Sanction Facilities (ISF) and Substance Abuse Felony Punishment Facilities (SAFPF).</p> <p>To facilitate the use of these secure facilities and provide substance abuse treatment intervention options requires coordination between the TDCJ and local Community Supervision and Corrections Departments. Probationers assessed as</p>	<p>To evaluate the effectiveness of TDCJ processes to identify, place, and remove eligible probationers in and/or from secure Intermediate Sanction and Substance Abuse Felony Punishment Facilities.</p>

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	<i>Rehabilitation Programs Division</i>  Project Hours: 2,624	<p>medium to high risk may be placed in an ISF for substance abuse treatment, substance abuse relapse treatment, and/or cognitive intervention-based treatment for up to 120 days. Probationers assessed as medium to high risk or have a history of substance abuse or treatment failure may be placed in a SAFPF for a six-to-nine-month substance abuse treatment program.</p> <p>Management requested this audit.</p>	
2212	<b>Freight Transportation</b>  <i>Manufacturing, Agribusiness, and Logistics Division</i>  Project Hours: 1,968	<p>The Fleet and Freight Transportation department within the Manufacturing, Agribusiness, and Logistics Division has oversight of the agency’s transportation and distribution requirements. Fleet and Freight Transportation has four freight terminals and six mechanical operations located in Beeville, Huntsville, Tennessee Colony, Rosharon, and Snyder. Freight terminals are responsible for goods transportation, shipping and distribution planning, safety education training for employees and inmates, and coordinating the transportation and receipt of customer goods. In an effort to manage the movement of these goods and meet customer requirements, inmate drivers are utilized in a convoy with staff freight drivers providing supervision to transport freight.</p> <p>The Fleet and Freight Transportation department has oversight of approximately 2,300 active vehicles, as well as, several thousand trailers, and other equipment. In fiscal year 2020, the department managed a fleet of 171 tractor trucks and 477 tractor trailers. The four dispatch offices coordinated more than 25,000 freight hauls and truck drivers logged approximately 5.5 million miles.</p> <p>Management requested this audit.</p>	<b>Project deleted due to focus on emerging risk in other areas.</b>
2213	<b>Minimum Qualification Screening</b>  <i>Human Resources Division</i>  Project Hours: 1,476	<p>When a position becomes vacant within the TDCJ, a job posting is published on the agency’s website and mainframe, and the Texas Workforce Commission’s website announcing position availability. The job posting includes information such as the minimum qualifications required or preferred for the position, applicable Military Occupational Specialty codes, salary, and position vacancy location.</p> <p>Once an employment application is received, the contact person or another qualified representative conducts minimum qualification screening to determine</p>	<b>Project deleted due to focus on emerging risk in other areas.</b>

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		<p>applicant eligibility for the posted position. Based on the personal information and history documented on the employment application and application supplement, an initial review is conducted to determine whether applicant employment and/or position eligibility requirements are met. Applicant eligibility requirements include but are not limited to is at least 18 years of age, is a U.S. citizen or an immigrant with lawful status authorized to work in the United States, is not on probation for any criminal offense, would not violate the agency's nepotism policy, is not a former employee whose status code is a termination for cause within the past five years, or is not a retiree whose reemployment would violate policy timeframe provisions for reemployment.</p> <p>Applications meeting all eligibility requirements are further screened to determine whether the minimum level of education, experience, training, knowledge, and skills required for the posted position is documented. Those applicants meeting all eligibility requirements and minimum qualifications established for the position are designated as qualified applicants for continuation in the selection process to fill the vacant position.</p> <p>For fiscal year 2020, the Human Resources Division reported minimum qualification screenings were conducted on 14,369 correctional officer and 3,269 parole officer applications, and 4,263 non-correctional and non-parole officer job posting vacancies.</p> <p>The Chairman of the Texas Board of Criminal Justice requested this audit.</p>	
2214	<p><b>Self-Study</b></p> <p><i>Internal Audit Division</i></p> <p>Project Hours: 328</p>	<p>This project will review TDCJ's Internal Audit Division for compliance with the International Standards for the Professional Practice of Internal Auditing and with Government Auditing Standards in preparation for the Peer Review required by statute and Board Policy 14.02, <i>Internal Audit Division Policy Statement</i>.</p>	<p>To assist the Peer Review team in their planning activities related to evaluating the Internal Audit Division's operations.</p>
2215	<p><b>Various Walk Throughs</b></p>	<p>Conducting walk throughs of functional areas enables the Internal Audit Division to update our risk analysis on a regular basis and ensures attention to those areas of the agency that would not otherwise be reviewed.</p>	<p>To assist in the development of future audit plans by increasing</p>

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	<i>Internal Audit Division</i>  Project Hours: As needed.		our knowledge of unaudited areas of the agency.
2216	<b>Action Plan Follow Up and Tracking</b>  <i>Internal Audit Division</i>  Project Hours: As needed.	We track implementation of audit recommendation action plans on an ongoing basis and determine if or when implementation verification is required. Based on our assessment, we perform audit follow up review and or testing, as needed. This project encompasses our efforts for the review and tracking of those audit recommendations and their implementation status.	To determine the status of implementation for audit recommendations.