



An Audit Report on

# Select Prevention and Early Intervention Programs at the Department of Family and Protective Services

- The Department did not have documentation showing that it consistently performed certain ongoing monitoring activities in compliance with its policies.
- The Department had processes and controls in place to help ensure that payments are made to program providers.
- The Department should strengthen certain user access controls.

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State Auditor

The Department of Family and Protective Services (Department) established processes and controls to help ensure that services were provided and funds spent according to applicable requirements for select prevention and early intervention programs. However, the Department did not consistently have documentation to show that it performed its monthly technical assistance calls with program providers as required by its policies and procedures.

- [Background](#) | p. 4
- [Audit Objective](#) | p. 25

*This audit was conducted in accordance with Texas Government Code, Sections 321.013, 321.0131, and 321.0132.*

## **MEDIUM**

### **TECHNICAL ASSISTANCE AND QUARTERLY REPORTS**

The Department did not have all documentation showing that it conducted technical assistance calls with providers and gave feedback to the providers about their quarterly reports as required by its policies.

[Chapter 1-A | p. 8](#)

## **LOW**

### **SPECIALIZED MONITORING PLAN PROCESSES**

The Department appropriately identified higher-risk grants for additional monitoring in its specialized monitoring plan and conducted comprehensive and targeted monitoring in accordance with its policies.

[Chapter 1-B | p. 14](#)

**LOW****PAYMENTS TO PROVIDERS**

The Department ensured that payments to providers were properly approved, had supporting documentation, were within applicable budgets, and were for allowable expenditures.

[Chapter 2 | p. 17](#)

**MEDIUM****INFORMATION TECHNOLOGY**

The Department appropriately limited access to certain systems it uses for its prevention and early intervention programs. However, it should strengthen certain user access controls.

[Chapter 3 | p. 19](#)

**NOT RATED****PRIOR AUDIT  
RECOMMENDATIONS**

The Department fully or substantially implemented corrective action for 4 (80 percent) out of 5 applicable recommendations made in a prior audit report.

[Chapter 4 | p. 22](#)

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## Note on Confidential Findings

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**HIGH**

To minimize security risks, auditors communicated in a separate report to the Department details about controls over access to a shared drive used by the Department's Prevention and Early Intervention Services Division. This finding was rated High because the issues could substantially affect the Department's information security function. Prompt action should be taken to reduce the risk.

Auditors made recommendations in the confidential report to address the finding. The Department agreed with the recommendations.

That separate report references confidential information. Pursuant to Standard 9.61 of the U.S. Government Accountability Office's *Government Auditing Standards*, certain information was omitted from this report because that information was deemed to present potential risks related to public safety, security, or the disclosure of private or confidential data. Under the provisions of Texas Government Code, Section 552.139, the omitted information is also exempt from the requirements of the Texas Public Information Act.

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## Summary of Management Response

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Auditors made recommendations to address the issues identified during this audit, provided at the end of certain chapters in this report. The Department agreed with the recommendations.

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## Ratings Definitions

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Auditors used professional judgment and rated the audit findings identified in this report. The issue ratings identified for each chapter 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.

For more on the methodology for issue ratings, see [Report Ratings](#) in Appendix 1.

## Background Information

The Department of Family and Protective Services (Department), through its Prevention and Early Intervention Services Division (see text box), manages programs that focus on stopping child abuse, juvenile delinquency, and other negative outcomes before they happen. The Department does not provide services directly; instead, it contracts with local nonprofits, local governments, and other organizations. It provides funding through grant agreements and other resources to support these organizations and the families they serve.

The Early Childhood and Youth and Family teams within the Prevention and Early Intervention Services Division manage the various programs. Figure 1 summarizes the Department’s prevention and early intervention programs and contracted expenditures for fiscal year 2022.

### Prevention and Early Intervention Services Division

The Department shall operate a division to provide services for children in at-risk situations and for the families of those children. In addition, the Department shall consolidate the prevention and early intervention services. The division shall be called the Prevention and Early Intervention Services Division.

Source: Texas Family Code, Chapter 265.

Figure 1

### Prevention and Early Intervention Programs – Fiscal Year 2022 <sup>a</sup>

Program Name	Program Description	Contracted Expenditures
Community Youth Development (CYD)	CYD began in 1995 and provides services to youth ages 6 to 17 years old in zip codes with high instances of juvenile crime. CYD served 16 counties and its target was to serve 17,135 youth/families annually. Program services were provided by 17 grantees and 40 subgrantees. Managed by the Youth and Family team.	\$8,892,930
Family and Youth Success (FAYS); formerly Services to At-Risk Youth (STAR)	The STAR program began in 1983 and became FAYS in 2014. The program addresses family conflict and everyday struggles while promoting strong families and youth resilience. FAYS served all counties in Texas and its target was to serve 21,048 youth/families annually. Program services were provided by 28 grantees and 3 subgrantees. Managed by the Youth and Family team.	\$30,308,529
Fatherhood EFFECT: Educating Fathers for Empowering Children Tomorrow	Fatherhood EFFECT began in 2013 and provides parent education and resources to fathers. The program served 9 counties and its target was to serve 1,004 youth/families annually. Program services were provided by 7 grantees. Managed by the Youth and Family team.	\$1,379,306

Program Name	Program Description	Contracted Expenditures
Healthy Outcomes through Prevention and Early Support (HOPES)	HOPES began in 2014 and provides services that build protective factors, such as parent support groups, maternal depression screening, early literacy promotion, case management, and other types of parent education. HOPES served 28 counties and its target was to serve 8,131 youth/families annually. Program services were provided by 28 grantees and 24 subgrantees. Managed by the Early Childhood team.	\$25,566,431
Statewide Youth Services Network (SYSN)	SYSN began in 2008 and provides services, including community and school-based mentoring, youth leadership development, and youth skills for children ages 6 to 17 years old. SYSN served all counties in Texas and its target was to serve 2,746 youth/families annually. Program services were provided by 2 grantees. Managed by the Youth and Family team.	\$1,675,558
Texas Home Visiting (THV)	THV began in 2012 and supports positive child health and development outcomes and increases family self-sufficiency. Early childhood and health professionals regularly visit the homes of pregnant women and families with children ages 0 to 6 years old. THV served 20 counties and its target was to serve 5,700 youth/families annually. Program services were provided by 20 grantees. Managed by the Early Childhood team.	\$25,307,761
Texas Nurse-Family Partnership Program (TNFP) <sup>b</sup>	TNFP began in 2008 and serves first-time, low-income mothers and their families from before their 28 <sup>th</sup> week of pregnancy through their child’s second birthday. Licensed nurses perform home visits to improve prenatal care and address issues related to health, self-sufficiency, parenting, and stress management. TNFP served 53 counties and its target was to serve 3,122 youth/families annually. Program services were provided by 16 grantees and 1 subgrantee. Managed by the Early Childhood team.	\$18,394,367
Texas Service Members Veterans and Families (SMVF)	SMVF began in 2014 and provides support for families with children ages 0 to 17 years old in which one or both parents are serving, or have served, in the armed forces, reserves, or National Guard. SMVF served 12 counties and its target was to serve 1,461 youth/families annually. Program services were provided by 5 grantees and 6 subgrantees. Managed by the Youth and Family team.	\$2,488,940
<b>Total</b>		<b>\$114,013,822</b>

<sup>a</sup> The Department also administered the Helping through Intervention and Prevention (HIP) program through August 2022. However, those services were merged with the HOPES program beginning in fiscal year 2023, and were excluded from the scope of the audit.

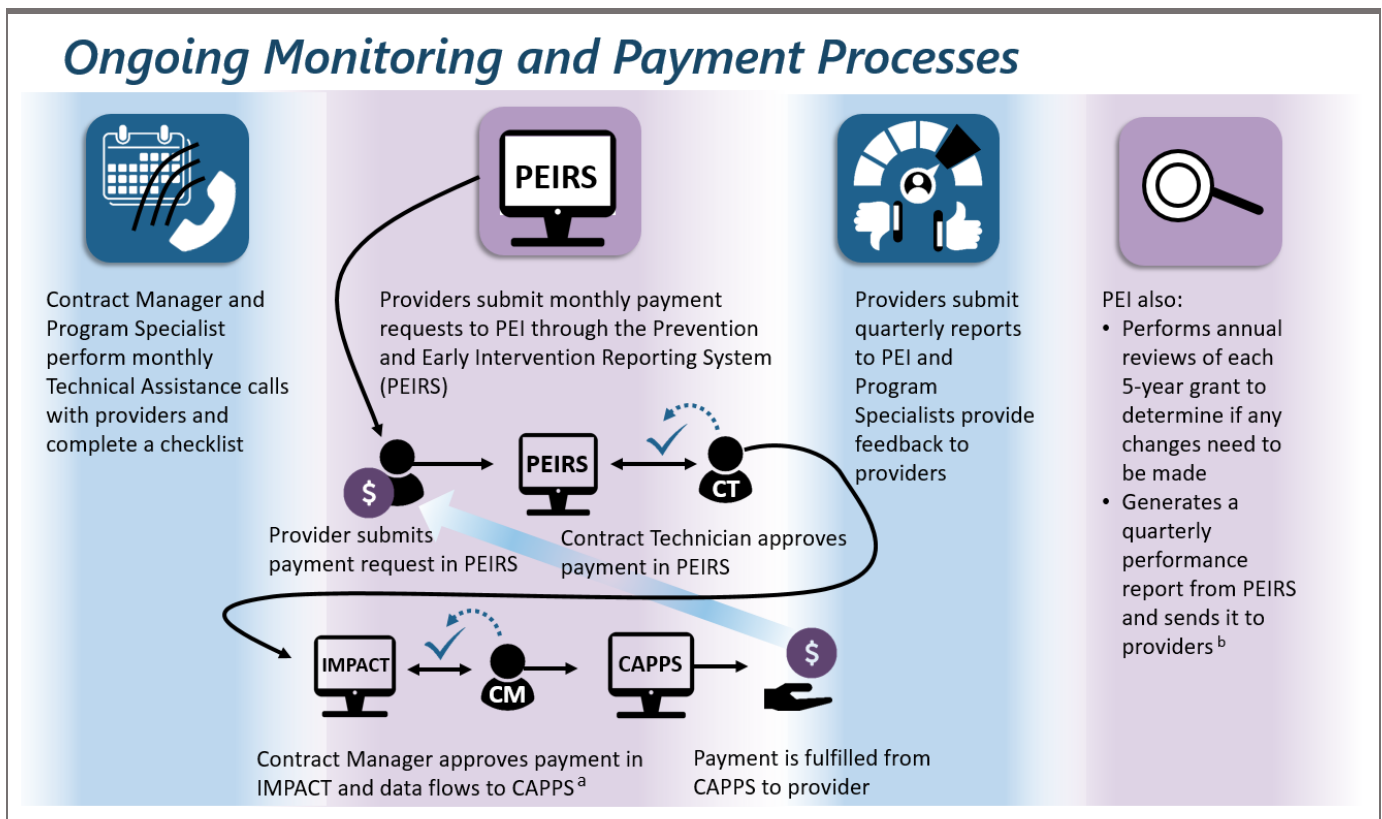
<sup>b</sup> TNFP was excluded from the scope of this audit due to coverage of the program by other audits.

Source: The Department’s *Prevention and Early Intervention Provider Directory*, Fiscal Year 2022.

## Monitoring and Payment Processes

The Prevention and Early Intervention (PEI) Services Division’s processes include technical assistance calls, monthly payment review procedures (Figure 2), and an annual risk assessment that selects grants for additional, more specialized monitoring (Figure 3, on the next page).

Figure 2

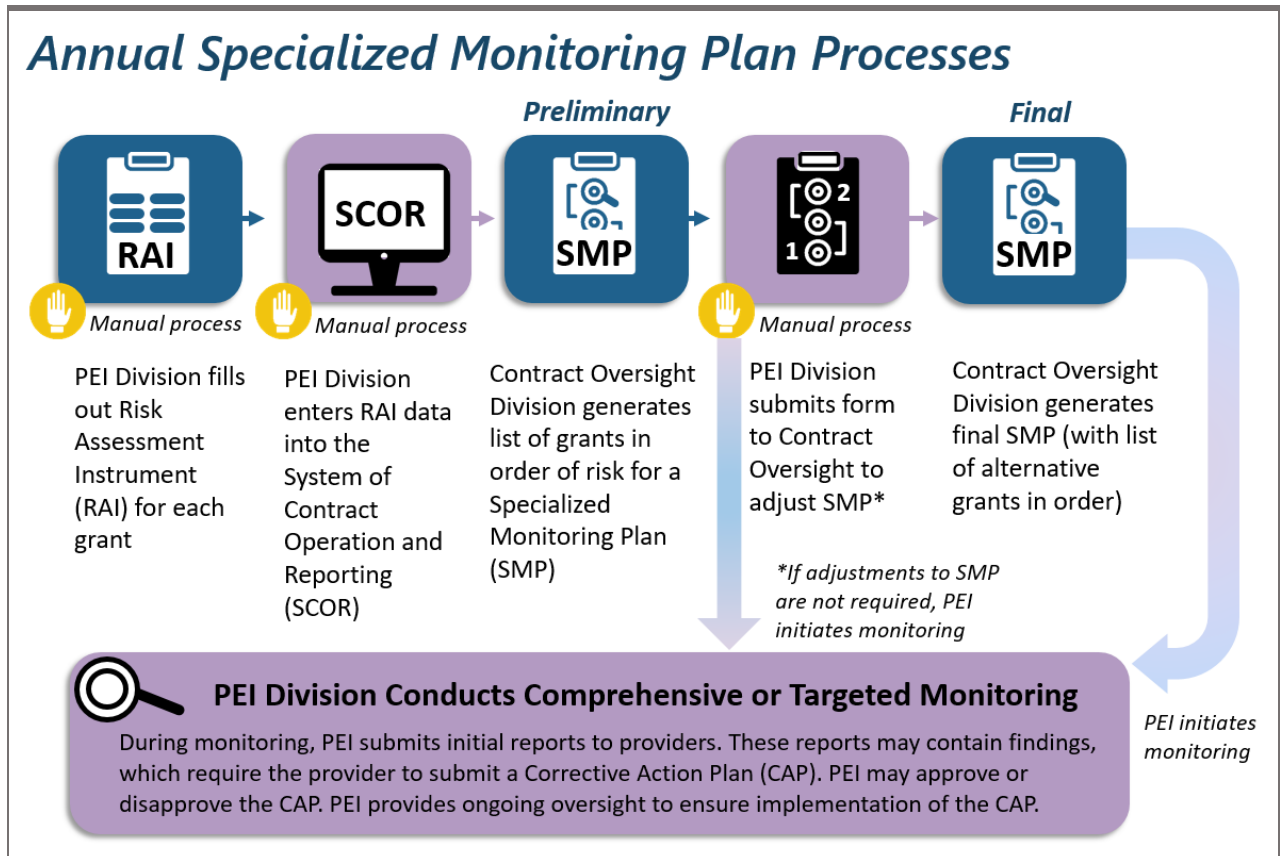


<sup>a</sup> The Centralized Accounting and Payroll/Personnel System (CAPPS) is the Department’s financial system used to process payments to providers after receiving information through a nightly batch process from the Information Management Protecting Adults and Children in Texas (IMPACT) system.

<sup>b</sup> This process was implemented in January 2022 and was in its pilot stage during the scope of the audit; therefore, auditors did not include this process in testing.

Source: Information provided by the Department.

Figure 3



Source: Information provided by the Department.



**MEDIUM**

## Chapter I-A Technical Assistance and Quarterly Reports

The Department did not have documentation showing that it consistently performed certain monitoring activities with providers as required by its policies.

**Monthly Technical Assistance Calls.** The Department of Family and Protective Services (Department) did not consistently document that it performed monthly technical assistance calls with providers in fiscal year 2022 as required by its policies (see text box for information on requirements).

Documentation of the calls was missing or incomplete for 20 (49 percent) of the 41 providers tested. Specifically, for at least 4 of the 12 months in fiscal year 2022<sup>1</sup>:

### Requirements for Technical Assistance Calls

Department policy requires Prevention and Early Intervention Services Division program specialists and contract managers to conduct monthly technical assistance calls with providers and document discussion of the following elements:

- Grant budget, program expenditures, and funding lapses.
- Performance outcomes, participant outreach and capacity, and information from the provider's quarterly report.
- Provider management of subcontractors, provider staffing and training, and data entry requirements into the Department's Prevention and Early Intervention Reporting System (PEIRS).

Source: The Department's *Prevention and Early Intervention Contracting Handbook*, Section 5.6.

<sup>1</sup> For this testing, auditors determined that the Department complied with its policies and procedures if it provided documentation for at least 8 of the 12 months in fiscal year 2022.



- The Department provided incomplete documentation for 10 of the providers tested. The documentation did not include all of the required elements and there was no indication within the associated notes as to whether those missing elements were discussed with the provider.
- Also, the Department did not have any documentation for the majority of the applicable months in the fiscal year showing that it performed technical assistance calls for 10 of the providers tested.

According to the Department's policy, the purpose of conducting and documenting these calls is to monitor outputs/outcomes; examine programmatic and operational aspects; document communication, plans, and action items; and identify program needs. Without retaining documentation of the technical assistance calls, there is increased risk that the Department may not have all of the information necessary to assess whether providers are meeting financial and program expectations.

**Quarterly Reports<sup>2</sup>.** Program providers are required to submit quarterly reports to the Department on specified schedules (see text box for information on requirements). The purpose of the reports is to provide the Department with information needed to evaluate provider performance.

The Department obtained complete quarterly reports for the 39 providers tested, and 35 (90 percent) of those 39 providers submitted their reports by the specified deadlines for at least 3 of the 5 quarters tested.

However, the Department did not consistently communicate feedback to the providers within the timeframe required by its policies. Specifically, for 14 (67 percent) of the applicable 21 providers tested, the Department did not have documentation showing that it communicated performance feedback or other issues identified in the quarterly reports to providers within 10 business days, as required, for at least 3 of the 5 quarters tested.

#### Requirements for Quarterly Reports

The Department established reporting deadlines and created templates for the providers to use in documenting progress toward program goals, budget status, and opportunities or challenges.

In addition, the Department was required to provide feedback to providers within 10 business days of receipt of the Youth and Family Quarterly Reports.

Source: The Department's *Prevention and Early Intervention Contracting Handbook*, Section 5.8.2.

<sup>2</sup> For the testing of the provider-submitted reports, auditors determined that the Department was in compliance with its policies and procedures if the Department received provider reports and communicated feedback for at least 3 of the 5 quarters tested.

It is important that the Department communicates performance feedback or other issues to the provider timely, so that the provider is allowed adequate time to address concerns and make progress towards program goals.

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### In monitoring grants to providers, the Department complied with requirements for amendments.

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As a result of the Department's monitoring activities and its annual grant review process, grants may require amendments to their scope of work or funding levels. The Department's process allows for such amendments, based on certain documentation and approvals. All eight of the grant amendments tested by auditors were properly executed. Specifically, the Department obtained sufficient justification and required approvals for:

- Three amendments that increased grant amounts by \$2.2 million.
- Two amendments that revised grant output goals, such as the number of participants served.
- Three amendments that revised grant language to add requirements related to confidential information and to incorporate changes to the Department's uniform terms and conditions required by the Legislature.

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## Recommendations

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The Department should strengthen its processes to ensure that it:

- Documents and retains documentation of monthly technical assistance calls in accordance with its policies.
- Prepares and sends feedback relating to the quarterly reports to the providers within required timeframes.

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## Management's Response

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DFPS agrees that it did not consistently document required monthly technical assistance calls or respond to quarterly reports within the required timeframe as required by its policies, however, DFPS believes PEI did have other quality controls in place to oversee its providers and was in the process of making improvements to its policies, procedures and practices during the period of review. Many of these improvements have already been made and others are in motion.

### **Monthly Technical Assistance Calls and Quarterly Report Submission and Feedback Only Part of PEI's Provider Oversight.**

In addition to Monthly Technical Assistance Calls and Quarterly Report Submission and Feedback DFPS provides ongoing budget and program oversight by:

- Completing the Risk Assessment Instrument on all PEI grantees annually and completing the resulting State Monitoring Plan of higher risk PEI grants;
- Conducting quarterly contracting and program briefings for the Chief Prevention and Community Well-Being Officer,
- Reviewing and tracking grantee data and budgets monthly as a PEI leadership team, and through a mid-year budget review process.
- The issuance of Quarterly Performance Reports to every PEI grantee indicating their contract performance issued separately from the monthly TA calls; and
- Gathering all PEI grantees annually as a pre-conference component of our Partners in Prevention conference where we provide technical assistance based on performance trends from the prior year, general training on grantee requirements and training on upcoming activities and issues. All grantees are required to attend.

Finally, DFPS thinks it is noteworthy to mention that this period of review was during a time when PEI providers were still struggling significantly with staffing based on COVID pandemic-related impacts to the workforce, particularly in jobs requiring person-to-person contact

with children. Many of the missed monthly calls were due to this staffing shortage in provider organizations.

**Improvements to PEI processes during and subsequent to the period of review.**

Through on-going efforts to improve our internal processes, including feedback from providers, DFPS has strengthened the technical assistance (TA) and quarterly report feedback loop.

- During the period of review, PEI had independently hired a temporary Director to conduct a review of its contracting and oversight processes and policies. Based on the recommendations in this review PEI has restructured its Contracting division to strengthen its quality assurance activities and has also implemented several trainings for staff and modifications to its policies and procedures. These are detailed below.
- DFPS has already implemented a tracking process that will aid in documenting when a technical assistance call schedule is deviated from for any reason.
- DFPS has restructured the TA schedule based on risk of the grantee.
- DFPS hosted an initial training in April 2023 and will host and additional training in Spring 2023 to discuss newly released handbook section 8.9.3, Technical Assistance (TA) Calls, to ensure program specialist and contract management staff follow the frequency call assessment, understand the items to examine during each call (including project work plan support and documentation approach for each grant).
- DFPS will train staff to ensure completeness of TA call notes. Given the TA call checklist is a guide, staff will continue to use the form to prioritize and focus on priority components for each individual grantee. However, DFPS will review policies and procedures with staff to discuss report due dates and timely communication of report feedback to ensure it is within 10 business days.
- DFPS will create and implement a quarterly report tracking process by August 31, 2023. DFPS aligned the quarterly report due dates for all programs and communicate due dates during technical assistance call, during provider meetings, and it is included within the Request For Applications.

The technical assistance calls were an added feature DFPS developed as a means to be proactive in supporting and maintaining ongoing communication with grantees.

- The TA calls were a new process implemented during the COVID-19 pandemic and is an additional support outside of the required quarterly reports, monthly invoice and budget tracking, and point in time monitoring.
- This new process was created for more than monitoring and also allows DFPS to listen to grantee needs, assist in brainstorming regarding programmatic challenges, and addressing other factors based on each grantee's specific needs.

**Responsible Person, Title:** Director of Grants and Contracts Quality Assurance

**Implementation Date:** August 31, 2023

**LOW**

## Chapter I-B Annual Specialized Monitoring Plan Processes

The Department appropriately identified higher-risk grants for additional monitoring.

**Specialized Monitoring Plan Development.** The Department correctly entered providers' risk assessment scores into the System of Contract Operation and Reporting (SCOR) for 95 (97 percent) of the 98 grants in the fiscal year 2022 specialized monitoring plan in accordance with its policies and procedures (see text box). For the remaining 3 grants, the Department incorrectly entered the risk assessment scores into SCOR due to manual data entry errors.

Overall, for the fiscal year 2022 specialized monitoring plan, the Department complied with its policies and procedures to identify the highest scoring grants and, if appropriate, adjust the plan by obtaining approvals to replace or remove grants with lower scores. While the data entry errors did not affect the three grants' overall placement on the specialized monitoring plan, entering incorrect risk assessment scores can result in a grant not receiving an appropriate level of monitoring.

**Comprehensive or Targeted Monitoring.** The Department monitored the 19 grants selected in the fiscal year 2022 specialized monitoring plan in accordance with its policies and procedures. This monitoring included programmatic and/or fiscal reviews, depending on whether the types of procedures performed were comprehensive or targeted.

**Corrective Action Plans.** As a result of the monitoring procedures, the Department issued findings to 11 providers. Of those providers, 10 (91 percent) appropriately developed and submitted corrective action plans to the Department to address those findings. Because the remaining provider's

### Specialized Monitoring Plan

The Department performs an annual risk assessment of each grant to prioritize monitoring activities. Contract managers enter risk assessment information into the System of Contract Operation and Reporting (SCOR) to create a list of grants. The Department selects grants from that list to perform either comprehensive or targeted monitoring. Grants can be removed from or replaced in the specialized monitoring plan if appropriate approvals are obtained to address any risk concerns.

See Figure 3 in the Background section for more information.

Source: The Department's *Prevention and Early Intervention Contracting Handbook*, Sections 7.1 and 7.2.

corrective action plan addressed only part of the findings, the Department continued to follow-up and monitor the grant.

### **Internal Control Structure Questionnaires and Internal Control Certifications.**

Before the Department issues a grant, a provider must complete an Internal Control Structure Questionnaire (ICSQ), which enables the Department to assess the provider's operations. After receiving a grant, providers must continue to submit either an ICSQ or an Internal Control Certification (ICC) to certify the accuracy of previously submitted information every two years throughout the grant term. The Department uses the ICSQ or ICC to perform its risk assessment and create a specialized monitoring plan.

While the Department ensured that all 20 providers that auditors tested had **current** ICSQs or ICCs in place during the risk assessments performed for the fiscal year 2022 specialized monitoring plan, it did not consistently obtain ICSQs or ICCs as required for prior years. Specifically, the Department had all the required ICSQs or ICCs for 17 (85 percent) of the 20 providers tested. For the remaining three providers, the Department did not obtain current ICSQs or ICCs as required for all years covered by the grants but instead relied on prior ICSQs or ICCs to perform its risk assessment. It is important to obtain ICSQs or ICCs as required, to help ensure that the Department's grant risk assessment is based on the most current grantee information.

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## Recommendations

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The Department should strengthen its processes to ensure that:

- It correctly enters scores from the provider risk assessments into SCOR during its annual specialized monitoring plan process.
- It obtains Internal Control Structure Questionnaires or Internal Control Certifications every two years as required by its policies.

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## Management's Response

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DFPS agrees that there were some manual errors when entering risk assessment scores into SCOR and will continue to strengthen processes to:

- Correctly enter scores from the provider risk assessments into SCOR during its annual specialized monitoring plan process, and
- obtain Internal Control Structure Questionnaires or Internal Control Certifications every two years as required by policies.

### **Annual Refresh**

DFPS' contracting oversight manager reviewed and completed an annual refresh process with contract managers which includes a quality assurance check for forms completeness.

- PEI will continue to thoroughly review risk scores, previous monitorings, and adhere to its 5-year monitoring cycle of each grant.
- PEI's contracting oversight manager will conduct a training to ensure staff complete the required 9103 for any changes to the SMP by August 31, 2023 – before next monitoring cycle.

### **Internal Control Structure Questionnaires and Internal Control Certifications**

DFPS acknowledges it is missing three of the 20 ICSQ/ICC tested. Per the report, DFPS ensured that all 20 providers the auditors tested had current ICSQs or ICCs in place during the risk assessments performed for the fiscal year 2022 specialized monitoring plan.

DFPS did not consistently obtain ICSQs or ICCs as required for prior years.

For the period in review, and currently, DFPS updated these documents through the Annual Refresh process and completes a quality assurance checks to ensure its complete.

**Responsible Person, Title:** Director of Contracting and Fiscal Accountability

**Implementation Date:** August 31, 2023.



**LOW**

## Chapter 2 Payments to Providers

The Department's processes and controls helped ensure that funds were spent according to requirements.

All 60 payments to program providers that auditors tested (1) were properly approved, (2) had supporting documentation, (3) were within the applicable budgets, and (4) were made for allowable expenditures.

However, the Department should improve its approval process to ensure that providers enter payment amounts correctly and that the amounts match supporting documentation. Specifically:

- One provider requested payment for service rates that did not match the service rates listed in the provider's fiscal year 2022 grant award. This resulted in the Department overpaying the provider by \$334.31.
- Three providers entered amounts into the wrong budget categories in PEIRS, but these payment requests did not exceed the providers' budgets (see text box for information about payment processing systems).
- One provider requested payment for an amount that did not match the totals in the supporting documentation. This resulted in the Department underpaying the provider by \$450.11.

### Key Payment Processing Systems

The Department uses the following information systems to process provider payments:

- **PEIRS.** Providers enter payment requests into the Prevention and Early Intervention Reporting System (PEIRS). The Department's contract technicians approve payment requests in PEIRS.
- **IMPACT.** The Department's contract managers approve payment requests in the Information Management Protecting Adults and Children in Texas (IMPACT) system.

See Figure 2 in the Background section for more information.

Source: The Department.

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## Recommendation

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The Department should strengthen its payment approval process to ensure that the amounts of payments to providers match the supporting documentation.

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## Management's Response

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DFPS agrees that its current processes and controls help ensure accurate expenditures.

DFPS updated the step-by-step procedures for this process in the April 2023 released handbook to ensure each payment review step is consistently adhered to which includes matching the payment for service rates with the service rates listed in the provider's grant award.

**Responsible Person, Title:** Director of Contracting and Fiscal Accountability

**Implementation Date:** April 30, 2023

**MEDIUM**

## Chapter 3

# Information Technology

The Department appropriately limited access to certain systems it uses for its prevention and early intervention programs.

The Department uses multiple information technology systems to administer its prevention and early intervention programs (see text box).

**PEIRS User Access.** The Department has processes in place to help ensure that employees and providers have appropriate access to PEIRS. However, the Department should strengthen certain user access controls. For example, the Department did not implement a regular user review process and relied on other control processes. In addition, the Department did not have documentation showing that required training for some external users was completed before granting access.

To minimize security risks, auditors communicated details about the audit findings in this section separately to the Department in writing.

**PEIRS Application Controls.** The Department has implemented controls in PEIRS to (1) ensure that providers cannot access grant information that is not their own and (2) prevent payment requests from being processed if the amount exceeds the grant budget.

**IMPACT User Access.** The Department has processes in place to help ensure that Prevention and Early Intervention Services Division employees have appropriate access to IMPACT. All 32 users tested by auditors were current employees and had appropriate access based on their job titles and responsibilities.

### Information Technology Systems

The Department uses the following systems to administer its prevention and early intervention programs:

- **PEIRS.** The system used to manage provider grants, process provider payment requests, and maintain information about program participants. PEIRS is accessible through the Health and Human Services Commission (HHSC) Portal.
- **IMPACT.** Grants to providers are initially set up in IMPACT, which interfaces with PEIRS to set up the grants in that system. IMPACT is also used to process payments to providers.

Source: The Department.

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## Recommendations

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The Department should:

- Implement a process to disable user accounts in PEIRS when users are no longer working with the Department.
- Strengthen its controls to ensure that users complete the required training and retain documentation of training before gaining access to PEIRS.

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## Management's Response

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DFPS agrees that it has the controls in place to limit access to its data system but could strengthen certain user access controls and compliance with training requirements. DFPS utilizes the HHS Portal to grant or remove access to PEIRS. DFPS will develop a process to both remove access at the HHSC Portal level and in PEIRS. A change request for PEIRS has been developed. In light of SB24 and PEI's transition from DFPS to HHSC as well as portal applications, this will likely occur in FY24. Implementation will likely be in FY24 or FY25 depending on the transition process. DFPS is already ensuring all training requirements are fully completed prior to access being granted to PEIRS.

DFPS has reviewed the items related to the IT recommendations and items identified in the insignificant issues list. DFPS determined the following:

- DFPS will strengthen the process to remove inactivated users from PEIRS. Notably, if a user is terminated at the HHSC Portal Level, the user loses all access to PEIRS.
- DFPS completes an annual re-certification for DFPS and grantee staff and the TA call checklist has been updated to include a check-in about access status as needed.
- DFPS has verified that all users at least had training relevant to their role in the provider organization. For example, one user only does financial data entry and not programmatic data entry, therefore the

user only completed the financial training and not the programmatic training. DFPS has ensured all PEIRS users have completed required training.

**Responsible Person, Title:** Director of Research and Evaluation

**Implementation Date:** August 31, 2024

**NOT RATED**

## Chapter 4 Prior Audit Recommendations

The Department fully or substantially implemented corrective action for most of the applicable recommendations made in a prior audit report.

The Department fully or substantially implemented corrective action for 4 (80 percent) of the 5 applicable recommendations reported in *An Audit Report on the Information Management Protecting Adults and Children in Texas (IMPACT) System at the Department of Family and Protective Services* (SAO Report No. 22-011, December 2021). Corrective action for the remaining recommendation was incomplete or ongoing.

The Department reported that it had fully implemented the recommendations that were followed up on as part of this report. Figure 4 on the next page shows the implementation status determined by auditors for each recommendation.

### Definition of Implementation Status

Each implementation status is defined as follows:



**Fully Implemented:** Successful development and use of a process, system, or policy to implement a recommendation.



**Substantially Implemented:** Successful development but inconsistent use of a process, system, or policy to implement a recommendation.



**Incomplete or Ongoing:** Ongoing development of a process, system, or policy to address a recommendation.



**Not Implemented:** Lack of a formal process, system, or policy to address a recommendation.








**Not Applicable:** N/A signifies that the recommendation is no longer applicable.

Source: State Auditor’s Office instructions to state agencies and higher education institutions for reporting the implementation status of recommendations.

Figure 4

***Implementation Status of State Auditor’s Office  
Recommendations to the Department in An Audit Report on  
the Information Management Protecting Adults and Children  
in Texas (IMPACT) System at the Department of Family and  
Protective Services (SAO Report No. 22-011, December 2021)***

Recommendations	Implementation Status Determined by Auditors
<p>The Department should strengthen its controls to disable user accounts when users are no longer working for the Department.</p> <p><b>Auditor Comments:</b> The Department implemented processes to identify users who are no longer working with the Department.</p>	
<p>The Department should implement a process to ensure that it disables IMPACT user accounts when users have not accessed IMPACT within 30 days.</p> <p><b>Auditor Comments:</b> The Department implemented an automated process and annual user review process to identify users who have not had system activity within 30 days; however, the processes were not always effective. Testing of IMPACT users as of January 10, 2023, identified 288 (3 percent) of 10,821 internal users and 18 (1 percent) of 1,449 external users who had not accessed IMPACT within 30 days and still had access to IMPACT. The Department’s automated process identified users who did not access their active directory account or IMPACT within 30 days; however, the results of the automated process were not communicated to the Department staff responsible for removing IMPACT user access. In addition, the annual user access review did not detect users who had not logged in to IMPACT within 30 days.</p>	
<p>The Department should ensure that it enforces segregation of duties when determining combinations of abilities within security profiles to assign to IMPACT users.</p> <p><b>Auditor Comments:</b> While the Department implemented processes to resolve the lack of segregation of duties within the security profiles and initiated a quality assurance review process for a certain percentage of electronic Move Add Change (eMAC) forms processed each month, it did not implement policies and procedures to help ensure consistent application or guidance of that review process. As a result, the Department did not always maintain documentation to show that those monthly reviews were performed.</p>	

Recommendations	Implementation Status Determined by Auditors
<p>The Department should ensure that its Change Approval Board complies with its policies to document the Board’s decisions.</p> <p><b>Auditor Comments:</b> The Department implemented a process to update its Project Portfolio Management (PPM) system with the Change Approval Board (Board) approval decision date in addition to documenting the Board’s decisions in the Board’s meeting minutes. However, the process was not always effective. Testing of changes that were completed between January 1, 2022, and March 1, 2023, identified that the Department did not document the Board’s approval in the PPM system for 21 (58 percent) of 36 changes.</p>	
<p>The Department should ensure that it retains documentation to support the deletion of cases from IMPACT in accordance with its record retention requirements.</p> <p><b>Auditor Comments:</b> The Department created folders on its shared drive to store documentation related to deleted cases. However, the folders did not have the permissions required to restrict access only to appropriate Department personnel.</p>	





## Appendix 1

# Objective, Scope, and Methodology

### Objective

The objective of this audit was to determine whether the Department of Family and Protective Services (Department) has processes and controls in place to help ensure that services are provided and funds spent according to applicable requirements for select prevention and early intervention programs.

### Scope

**Prevention and Early Intervention Programs.** The scope of this audit covered the Department's monitoring from September 1, 2021, through November 30, 2022, and payment processing from September 1, 2021, through December 31, 2022, for seven of its prevention and early intervention programs:

- Community Youth Development (CYD).
- Fatherhood EFFECT: Educating Fathers for Empowering Children Tomorrow.
- Family and Youth Success (FAYS), formerly Services to At-Risk Youth.

#### The following members of the State Auditor's staff performed the audit:



- Jennifer Lehman, MBA, CIA, CFE, CGAP (Project Manager)

- Ryan Walther (Assistant Project Manager)
- Kelly Bratton, CFSA, CRMA, MBA
- Matthew J. Montgomery, CISA, CFE
- Matthew Page
- Nakeesa Shahparasti, MS, CPA, CFE, CISA, CIDA
- Robby Webb
- Dana Musgrave, MBA, CFE (Quality Control Reviewer)
- Courtney Ambres-Wade, CIA, CFE, CGAP (Audit Manager)

- Healthy Outcomes through Prevention and Early Support (HOPES).
- Service Members, Veterans, and Families (SMVF).
- Statewide Youth Services Network (SYSN).
- Texas Home Visiting (THV).

**Specialized Monitoring Plan.** The scope also covered the Department’s annual specialized monitoring plan processes, including the grant risk assessments, for its prevention and early intervention programs from September 1, 2020, through February 7, 2023.

**Prior Audit Recommendations.** The scope also included the corrective actions that the Department implemented from January 1, 2022, through March 1, 2023, to address selected recommendations from *An Audit Report on the Information Management Protecting Adults and Children in Texas (IMPACT) System at the Department of Family and Protective Services* (SAO Report No. 22-011, December 2021).

**Internal Controls.** The scope also included a review of significant internal control components related to the Department’s prevention and early intervention programs, specialized monitoring plan processes, and implementation of recommendations from *An Audit Report on the Information Management Protecting Adults and Children in Texas (IMPACT) System at the Department of Family and Protective Services* (SAO Report No. 22-011, December 2021).

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## Methodology

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We conducted this performance audit from September 2022 through June 2023 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. In addition, during the audit, matters not required to be reported in accordance with *Government Auditing Standards* were communicated to Department management for consideration.

## Addressing the Audit Objective

During the audit, we performed the following:

- Determined whether the Department had processes and controls in place to help ensure that prevention and early intervention services are provided and funds are spent according to applicable requirements, by:
  - Interviewing Department staff to gain an understanding of processes and controls related to the prevention and early intervention programs within the audit scope.
  - Testing samples of payments to prevention and early intervention program providers to determine if the payments were approved, supported, within budgets, and allowable (see Figure 5 on the next page).
  - Testing samples of prevention and early intervention program grants to determine if the Department performed monthly technical assistance calls, obtained provider quarterly reports, performed comprehensive or targeted monitoring, processed grant amendments, obtained internal control structure questionnaires from providers, and ensured that the providers' corrective action plans addressed monitoring findings in accordance with its policies and procedures (see Figure 5 on the next page).
  - Testing the specialized monitoring plans for fiscal years 2021, 2022, and 2023 to determine if the scores from the supporting risk assessments correspond to the ratings in the plans.
- Determined whether the Department had effective controls over information systems in accordance with Texas Administrative Code, Title 1, Chapter 202; the Department of Information Resources' *Security Control Standards Catalog (Version 2.0)*; and the Department's information technology policies and procedures by:
  - Testing user access controls for the Prevention and Early Intervention Reporting System (PEIRS) and IMPACT to determine if that access was restricted appropriately.
  - Testing samples of PEIRS users to determine if training and background check requirements were met (see Figure 5 on the next page).

- Testing controls for a sample of PEIRS and IMPACT changes to determine if changes were adequately managed (see Figure 5 below).
- Identified the relevant criteria:
  - Texas Family Code, Chapter 265.
  - *Texas Grant Management Standards (Version 1.1) and Uniform Grant Management Standards*, Revised March 2016.
  - Department policies, procedures, and handbooks.
- Determined whether the Department implemented the recommendations in *An Audit Report on the Information Management Protecting Adults and Children in Texas (IMPACT) System at the Department of Family and Protective Services (SAO Report No. 22-011, December 2021)*.

Figure 5

### *Populations and Samples*

Population	Population Size	Sample Size	Sampling Methodology
Payments to providers from September 1, 2021, through December 31, 2022.	1,735	60	Population was stratified based on number of payments per program. Selected a nonstatistical sample using random selection. Also selected one payment to ensure coverage of all programs.
Providers with grant agreements from the fiscal year 2022 specialized monitoring plan selected for comprehensive or targeted monitoring.	19	19	Tested the entire population related to monthly technical assistance calls, provider quarterly reports, comprehensive or targeted monitoring, and corrective action plans (where applicable) requirements.
Providers with grant agreements from the fiscal year 2022 specialized monitoring plan not selected for comprehensive or targeted monitoring.	103	23	Selected a nonstatistical sample using random selection for 21 providers. Also selected 2 providers based on risk to ensure coverage of all programs and grant types. <sup>a</sup>
Providers with grant amendments executed during fiscal years 2022 and 2023.	75	8	Population was stratified by amendment type. Selected a nonstatistical sample using random selection.

Population	Population Size	Sample Size	Sampling Methodology
Providers with cost-reimbursement grant agreements from fiscal years 2022 and 2023.	100	20	Selected a nonstatistical sample using random selection.
Internal PEIRS users as of January 18, 2023.	45	5	Selected a nonstatistical sample using random selection.
External PEIRS users as of January 18, 2023.	689	25	Selected a nonstatistical sample using random selection.
Internal IMPACT users as of January 10, 2023.	11,341	11,341	Tested the entire population.
External IMPACT users as of January 10, 2023.	2,385	2,385	Tested the entire population.
PEIRS change requests completed between January 1, 2022, and March 1, 2023.	9	2	Selected a nonstatistical sample. Used random selection for a maintenance change and selected a system enhancement change based on risk to ensure coverage of both change types.
IMPACT change requests completed between January 1, 2022, and March 1, 2023.	167	34	Selected a nonstatistical sample using random selection.
Monthly quality assurance reviews of user access requests performed during calendar year 2022.	12	4	Selected a nonstatistical sample for testing based on risk to ensure coverage of each quarter in the year.

<sup>a</sup> Auditors tested all samples for quarterly reporting requirements. However, for reporting purposes, the monthly technical assistance call requirements testing was not applicable for one provider.

The samples selected are not representative of the population; therefore, it would not be appropriate to project test results to the population.

### Data Reliability and Completeness

To determine data reliability and completeness, auditors (1) observed the Department's extraction of requested data populations, (2) reviewed data queries, (3) analyzed the populations for reasonableness and completeness, (4) conducted testing of PEIRS and IMPACT user accesses and PEIRS application controls, (5) compared the data populations to corroborating information, (6) traced information in the data sets to supporting documentation, and (7) reviewed the results of an independent examination that assessed the information technology controls over the third-party services provided at the

state data center. Auditors determined that the following data sets were sufficiently reliable for the purposes of the audit:

- Users with access to IMPACT as of January 10, 2023.
- Users with access to PEIRS as of January 18, 2023.
- Expenditure data for payments to prevention and early intervention program providers between September 1, 2021, and December 31, 2022.
- Active prevention and early intervention program grants during fiscal year 2022.
- Specialized monitoring plans for fiscal years 2021, 2022, and 2023.
- Prevention and early intervention program grant amendments executed during fiscal years 2022 and 2023.
- Prevention and early intervention program grants with corrective action plans during fiscal years 2022 and 2023.
- Changes made to PEIRS and IMPACT between January 1, 2022, and March 1, 2023.

### Report Ratings

In determining the ratings of audit findings, auditors considered factors such as financial impact; potential failure to meet program/function objectives; noncompliance with state statute(s), rules, regulations, and other requirements or criteria; and the inadequacy of the design and/or operating effectiveness of internal controls. In addition, evidence of potential fraud, waste, or abuse; significant control environment issues; and little to no corrective action for issues previously identified could increase the ratings for audit findings. Auditors also identified and considered other factors when appropriate.

## Appendix 2

### Related State Auditor's Office Report

Figure 6

Report Number	Report Name	Release Date
22-011	<a href="#"><u><i>An Audit Report on the Information Management Protecting Adults and Children in Texas (IMPACT) System at the Department of Family and Protective Services</i></u></a>	December 2021



Copies of this report have been distributed to the following:

## **Legislative Audit Committee**

The Honorable Dan Patrick, Lieutenant Governor, Joint Chair

The Honorable Dade Phelan, Speaker of the House, Joint Chair

The Honorable Joan Huffman, Senate Finance Committee

The Honorable Robert Nichols, Member, Texas Senate

The Honorable Greg Bonnen, House Appropriations Committee

The Honorable Morgan Meyer, House Ways and Means Committee

## **Office of the Governor**

The Honorable Greg Abbott, Governor

## **Department of Family and Protective Services**

Ms. Stephanie Muth, Commissioner





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