



TEXAS
JUVENILE JUSTICE
DEPARTMENT

BOARD MEMBERS

*The Honorable Manny Ramirez,
Chairman of the Board
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*Matthew Marick
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EXECUTIVE DIRECTOR

Shandra Carter

CHIEF AUDITOR

Eleazar Garcia, CIA, CRMA

**Risk Assessment and
FY 2026 Internal Audit Plan
September 2025**



TEXAS
JUVENILE JUSTICE
DEPARTMENT

Memorandum

To: Texas Juvenile Justice Department Board Members
Shandra Carter, Executive Director

From: Eleazar Garcia, Chief Auditor

Subject: Risk Assessment and FY 2026 Internal Audit Plan 25-4

Date: September 5, 2025

Attached is our audit plan for fiscal year 2026. This plan was developed in accordance with Texas Government Code Chapter 2102 (Texas Internal Auditing Act) and Global Internal Audit Standards, which requires state agency internal audit departments to develop an annual audit plan using risk assessment techniques. The risk assessment and project selection process used by the Texas Juvenile Justice Department (TJJD) Office of Internal Audit includes input from Board members, agency management, and staff. Information describing the assumptions and process used to develop the plan includes:

- Process Description for the annual audit plan development. (Page 3)
- Risk Assessment Scores and Coverage Schedule, which displays the risk level of each auditable unit and indicates whether audit coverage has been provided based on each unit's risk level. (Page 5)
- Proposed FY 2026 Audit Plan. (Page 8)

In addition to approving the audit plan, the Texas Internal Auditing Act requires the Board to review the resources dedicated to the internal audit program and determine if they are adequate to ensure coverage of the agency's risk in a reasonable time frame. This packet provides the information to assist with this determination.

cc: Executive Team

Risk Assessment Process Description

1. **Define the audit universe.** Develop a comprehensive list of “auditable units” (i.e., specific operating units such as Human Resources or cross-functional processes such as food service, etc.) through discussion with the Board, agency management, and auditor judgment as consideration for annual planning.
2. **Select and apply a weighted scoring system to the risk factors.** Risk factors are specific and identifiable sources of uncertainty or potential negative consequences. Risk is inherent to every auditable unit – what varies among units is the degree or level of risk. Level of risk is determined by the extent of impact to the agency as a whole should the specific risk occur. Risk factors are selected and weighted by consideration of current issues by the Chief Auditor. The risk factors and weights used for the risk assessment were as follows:

Risk Factor	Weight
Safety/Welfare of the Youth	25
Safety/Welfare of the Staff	25
Data Reliability	20
Safeguarding of Assets	20
Compliance with Laws & Regulations	20
Impact on Communities	20
Recent and/or Significant Changes	10

3. **Prioritize auditable units to assess overall risk level.**
 - **Score:** Score each unit’s risk level for each risk factor. For each factor, we use a 5-point scale: low risk levels receive 1 point, medium risk levels 3 points, and high risk levels 5 points. For example, the Case Management auditable unit could score a 5 on the risk factor of safety/welfare of the youth, while Purchasing could score a 1 in the same risk factor.
 - **Additional Points:** Areas identified as of interest or concern by Board members received 15 additional points (25 if more than one Board member); by Executive Management received 10 additional points (20 if more than one manager identified the area as a priority); and any identified as an area of concern by the Chief Auditor received up to an additional 10 points.
 - **Rank:** Calculate the products of the risk level score times the risk factor weight, sum all scores and rank all units relative to one another. Identify high, medium, and low risk areas.
 - **Risk:** Ranked from high to low score and subsequently categorized based on distributed thresholds.

4. **Determine available staff hours for audit work:**
 - **Staff hours:** Taking leave, training requirements, and other responsibilities into consideration, determine available staff hours for audit work. The estimated available hours for FY 2026 are 6710.
5. **Identify areas to audit for the Proposed FY 2026 Audit Plan based on:**
 - input from Board members, agency management, and other factors
 - available staff hours
 - review of statutory requirements including
 - a. Government Code
 - b. Human Resources Code
 - c. Texas Administrative Code
 - review of audit history including:
 - a. either a stand-alone audit or part of another audit (e.g. facility audit)
 - b. consulting services
 - c. external services (e.g. State Auditor's Office (SAO), Texas Education Agency (TEA), Texas Comptrollers of Public Accounts (CPA))
6. **Develop a proposal for Board review.**
7. **Present to the Board Finance and Audit Committee and obtain input to finalize FY 2026 Audit Plan.**
8. **Present to the full Board for approval.**
9. **Distribute the approved plan to the oversight agencies (Governor's Office of Budget, Planning, and Policy; Legislative Budget Board; and State Auditor's Office).**
10. **Post the approved Internal Audit Plan on the agency website.**

Risk Assessment Scores and Coverage Schedule

High Risk			
Rank	Auditable Unit	Risk Score	Last Audited FY
1	IT Data Management	525	2025
2	Youth Placement	465	2017
3	Contracts	460	2025
4	Staff Development & Training	455	2022
5	Use of Force	455	2016
6	Hiring and Classification	455	2020
7	Incident Reporting (CCF-225/Critical Incidents/Serious Incidents)	450	2023
8	Timekeeping/Overtime	450	2024
9	Dorm Living/Control & Supervision	445	2021
10	Case Management	440	2024
11	Governance/Ethics	440	2019
12	Violence Intervention Continuum (IIP/RDR/Phoenix)	440	2013

Medium Risk			
Rank	Auditable Unit	Risk Score	Last Audited FY
13	Re-Entry and Parole Services	435	2025
14	Treatment	435	2024
15	IT Security Management	435	2023
16	Budget and Financial Reports	435	2020
17	Human Resource Administration	425	2022
18	Release Review Panel	425	2021
19	Abuse, Neglect, and Exploitation Investigations	420	2023
20	Sentenced Offenders	420	2025
21	Due Process Hearings	420	2023
22	Halfway House operations	420	2022
23	County Grant Management & Monitoring	420	2020
24	Warehouse Operations	410	None
25	Medical Services	410	2023
26	Regulation and Safety Unit	410	2021
27	Education - State Facilities	410	2018
28	PREA Compliance	410	2017

29	Workforce and Vocational Services	410	2017
30	Asset Management	410	2025
31	Texas Model	405	None
32	Special Education	400	None
33	Certified Officer and Employee ANE Discipline	400	2021
34	IT Application Controls	400	2021
35	Student Transportation	400	2014
36	Intake and Assessment	395	2024
37	Legislative Reporting and Research	390	2023
38	Visitation	390	2023
39	External Affairs/ Media	390	2022
40	Regionalization	390	2021
41	State - Monitoring and Inspections	390	2014
42	Construction and Maintenance	380	2024
43	Drafting/Revising Policy Process	380	2022
44	JSO/JPO Certification	380	2021
45	Gatehouse Security	370	2024
46	Contraband Detection	370	2024
47	Workers Compensation	370	2022
48	Risk Management	370	2022
49	Education Grant Management (Federal & State Requirements)	370	2018
50	Fugitive Apprehension	360	None
51	Gang Intelligence	360	2025
52	IT General Controls	360	2025
53	Safety and Security/Physical Security (Physical Security/Physical Plant)	360	2021

Low Risk			
Rank	Auditable Unit	Risk Score	Last Audited FY
54	Staff Travel	350	2025
55	Volunteers\Community Relations	350	2023
56	Youth Grievance Process	340	2023
57	County - Monitoring and Inspections	340	None
58	Criminal Investigations	340	2023
59	Purchasing and Accounts Payable (CAPPS)	340	2025
60	Endowment Trust Funds	340	2018
61	Incident Reporting Center	320	2023
62	Interstate Compact	310	2022

63	Fleet Management	310	2021
64	Sex Offender Registration/Disposition/Victim Rights/DNA	310	2019
65	Contract Care Facilities	310	2018
66	Grant Management	310	2018
67	Orientation	310	2017
68	Juvenile Justice Alternative Education Programs	310	2013
69	Legislation Updates and Implementation	305	2023
70	Public Complaints	300	2021
71	Nutrition and Food Services	300	2018
72	Records Retention	290	2023
73	Youth Trust and Student Benefit Funds	270	2019
74	Payroll	270	2025

Note 1: **Bold type** indicates area is on the proposed FY 2026 audit plan.

Note 2: "Last Audited FY" includes audit work conducted by TJJJ Internal Audit, State Auditor's Office, and Texas Comptroller of Public Accounts.

Proposed Fiscal Year 2026 Audit Plan

Based on 6710 Available Hours

Audit Projects			
Audit Title	Type of Audit	Hours in FY26	Preliminary Objective
Mandatory Audits			
Facility Audit - Youth Placement/ Waitlist*	Program	950	To determine whether agency's placement services allow for effective management of the waitlist.
Discretionary Audits			
Facility Audit - Vocational Services ⁺	Program	950	To determine whether the vocational program is meeting its goals and objectives.
Carryover Audits			
TAC 202 Information Security Standards	Information Security	400	To determine whether the agency is in compliance with TAC 202 information security standards.
Facility Audit - Violence Intervention Continuum*	Program	950	To determine whether the VIC is utilizing established interventions to address youth behavior.
Facility Audit - Incident Reporting*	Program	900	To determine whether incidents are properly reported and addressed.
Other Projects			
Audit Title	Hours in FY26		
FY26 Risk Assessment and FY27 Audit Plan	800		
FY25 Risk Assessment and FY26 Audit Plan	50		
FY25 Annual Internal Audit Report	20		
FY26 Annual Internal Audit Report	20		
FY25 Internal Quality Assurance and Improvement Program	70		
FY26 Internal Quality Assurance and Improvement Program	100		
Follow Up/Verification Prior Audit Recommendations **	850		
Special Project(s)	350		
IA Standards Implementation / Ad-Hoc Consulting	200		
External Quality Assurance Review – Reciprocating Services	100		

* Indicates audit will cover an auditable unit identified as high risk within the Risk Assessment Risk Ranking.
 +In accordance with Texas Government Code Chapter 2102, Texas Internal Auditing Act, Internal Audit includes review of applicable contracts in the course of conducting audits and identifies those audits within the Audit Plan in which applicable contracts may be reviewed.

Potential Additional FY26 Engagements

In accordance with the Global Internal Audit Standards, potential engagements have been identified should additional resources become available. These engagements also identify the remaining high-risk areas that were not included in the FY26 Audit Plan.

Audit Title	Projected Hours
Staff Development and Training	950
Hiring and Classification	950



**Texas Juvenile Justice Department
RESOLUTION**

A RESOLUTION FOR APPROVING THE FISCAL YEAR 2026 INTERNAL AUDIT PLAN

On this **5th day of September 2025**, a duly called and lawfully convened meeting of the Texas Juvenile Justice Board was held in the City of Austin, Texas, pursuant to the Texas Open Meetings Act. A quorum of the Members was present, to wit:

BOARD MEMBER	PRESENT	ABSENT	YES	NO	ABSTAIN
Edeska Barnes, Jr.					
Joe Barton					
William Durham					
Stephanie House					
Luis Leija					

BOARD MEMBER	PRESENT	ABSENT	YES	NO	ABSTAIN
Matt Marick					
Manny Ramirez					
Shawn Thierry					
Cynthia Wheless					
Motion:			Second:		

Where, among other matters, came up for consideration and adoption the following Resolution:

WHEREAS, the Institute of Internal Auditor’s *International Standards for the Professional Practice of Internal Auditing*, and the Texas Internal Auditing Act (Government Code, Chapter 2102) requires the completion of an annual audit plan based on a documented risk assessment, undertaken at least annually;

WHEREAS, the annual audit plan must be posted on the Texas Juvenile Justice Department’s internet website within 30 days of Board approval.

NOW, THEREFORE BE IT RESOLVED THAT the Board approves the Internal Audit Department’s FY 2026 Internal Audit Plan and authorizes its posting as required by statute.

The foregoing Resolution was lawfully moved, duly seconded, and adopted by the Texas Juvenile Justice Board.

Signed this 5th day of September 2025.

Texas Juvenile Justice Board

Manny R. Ramirez, Chair