

# Texas Juvenile Justice Department

## Internal Audit



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## Internal Audit Annual Report

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October 2025



TEXAS  
JUVENILE JUSTICE  
DEPARTMENT

October 31, 2025

The Honorable Greg Abbott, Governor  
The Legislative Budget Board  
State Auditor's Office  
Texas Juvenile Justice Board  
Shandra Carter, TJJJ Executive Director

Attached is the Fiscal Year 2025 Annual Internal Audit Report from the Texas Juvenile Justice Department's Office of Internal Audit. This report is provided in accordance with the Texas Internal Auditing Act requirements for internal auditors to prepare and distribute an annual report of accomplishments and activities and complies with the guidelines set forth by the State Auditor's Office.

The Office of Internal Audit completed audit work and provided management with information and analyses to assist in initiating improvements to operations and to strengthen internal controls. In addition to audit work, Internal Audit provided advice and assistance on governance, risk management, and internal controls. Agency management actively engages the Office of Internal Audit as they continue to work toward more efficient and effective processes in the agency.

Internal Audit staff continues to be active in the local internal audit community through participation in the State Agency Internal Audit Forum (SAIAF), the Austin Chapter of the Institute of Internal Auditors (IIA), Certified Fraud Examiners, and the Information Systems Audit and Control Association (ISACA). Staff also continue to attend training courses offered by the State Auditor's Office and other local trainers and work toward professional certification.

If you have any questions, please contact me at (512) 739-8387.

Sincerely,

A handwritten signature in black ink, appearing to read "Eleazar Garcia".

Eleazar Garcia, CIA, CRMA  
Chief Auditor

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**I. COMPLIANCE WITH TEXAS GOVERNMENT CODE, SECTION 2102.015:  
Posting of the Internal Audit Plan, Internal Audit Annual Report, and Other  
Audit Information on the Internet Web Site**

Internal Audit will ensure submission of the Annual Report to the oversight entities by November 1<sup>st</sup>, 2025, the posting of the fiscal year (FY) 2026 Internal Audit Plan upon Board approval and the FY 2025 Internal Audit Annual Report on the Texas Juvenile Justice Department's public website. The reports will be submitted to the agency's Webmaster for inclusion in the Internal Audit page of the Agency's public website.

A summary of the recommendations for the issues identified during audits included in the FY 2025 Audit Plan can be found in Exhibit A attached at the end of the Annual Report.

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## II. INTERNAL AUDIT PLAN FOR FISCAL YEAR 2025

Below is the status of audits included in the FY 2025 audit plan:

<b>Audit No.</b>	<b>Report Date</b>	<b>Report Title</b>	<b>Status</b>
24-6	12/2024	Determinate Sentence Offenders Audit	Issued
24-1B	02/2025	Facility Gang Audit	Issued
25-5	05/2025	Parole Services Audit	Issued
25-6	08/2025	TEA Student Data Audit	Issued
25-9	Pending	TAC 202 Information Security Standards	Scheduled Reporting November 2025
26-1A	Planned	Facility Audit	Carryover to FY 2026 Audit Plan
26-1B	Planned	Facility Audit	Carryover to FY 2026 Audit Plan

- Results are reported within each audit’s related audit report which is approved by the Board and submitted to the TJJJ Board, TJJJ’s Executive Director, State Auditor’s Office, Governor’s Office – Budget and Policy Division, and Legislative Budget Board.

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### III. CONSULTING ENGAGEMENTS AND NON-AUDIT SERVICES COMPLETED

<b>Activity</b>	<b>Key Results</b>
Policy Review	Review policies and offer input and guidance on thoroughness, controls, and feasibility.
Executive Team	The Chief Auditor is a member of the Executive Team and, as such, attends meetings and provides input.
Ad Hoc Consultation with Management and Staff	Discuss ideas and concerns and provide advice as needed by agency staff.

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#### IV. EXTERNAL QUALITY ASSURANCE REVIEW (PEER REVIEW)

The most recently completed External Quality Assurance Review was conducted using the State Agency Internal Audit Forum's Peer Review Process. It was completed April 2025 by Chris Cirrito Chief Audit Executive for the Texas Board of Criminal Justice, and Terri Peirce Audit Manager for the Department of Information Resources.

##### **Overall Opinion**

(excerpt from final report – page 1)

An independent external quality assessment of the Texas Juvenile Justice Department (TJJD) Internal Audit Office has been completed in accordance with the Institute of Internal Auditors' International Professional Practices Framework (IPPF) and Generally Accepted Government Auditing Standards (GAGAS). Based on the evaluation of internal audit operations, practices, and documentation, the Internal Audit Office conforms with the standards and receives a rating of **Pass/Generally Conforms**. This opinion, which is the highest of the three possible ratings, means that policies, procedures, and practices are in place to implement the standards and requirements necessary for ensuring the independence, objectivity, and proficiency of the internal audit function.

## V. INTERNAL AUDIT PLAN FOR FISCAL YEAR 2026

### Fiscal Year 2026 Audit Plan

Based on 6710 Available Hours

<b>Audit Projects</b>			
<b>Audit Title</b>	<b>Type of Audit</b>	<b>Hours in FY26</b>	<b>Preliminary Objective</b>
<b>Mandatory Audits</b>			
Facility Audit - Youth Placement/ Waitlist*	Program	950	To determine if agency's placement services allow for effective management of the waitlist.
<b>Discretionary Audits</b>			
Facility Audit - Vocational Services <sup>+</sup>	Program	950	To determine if the vocational program is meeting its objectives.
<b>Carryover Audits</b>			
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 if the VIC is utilizing established interventions to address youth behavior.
Facility Audit - Incident Reporting*	Program	900	To determine if incidents are properly reported and addressed.
<b>Other Projects</b>			
<b>Audit Title</b>	<b>Hours in FY26</b>		
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 Annual Internal Quality Assurance and Improvement Program	70		
FY26 Annual 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.			

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## Potential Additional FY26 Engagements

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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

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## Risk Assessment Process Description

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- 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)

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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.**

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## VI. EXTERNAL AUDIT SERVICES

The following external audit services were procured or were ongoing in fiscal year 2025:

	<b>External Audit Service</b>	<b>Focus of Review</b>	<b>Status</b>
1	State Auditor's Office	Report on Implementation of Sunset Advisory Commission Management Actions	Completed September 2024
2	Texas Comptroller of Public Accounts	Post Payment Audit	Completed May 2025
3	KDM Consults, LLC	Prison Rape Elimination Act Audits (PREA) of state correctional facilities	Ongoing

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## VII. REPORTING SUSPECTED FRAUD AND ABUSE

To comply with the fraud reporting requirements of Section 7.09, page IX-40, the General Appropriations Act (88th Legislature), and the investigation coordination requirements of Texas Government Code, Section 321.022, the Texas Juvenile Justice Department has taken the following actions:

- Currently, suspicions of fraud, waste, and abuse that have been reported to TJJJ have been processed through the Office of Inspector General. The Chief Inspector General coordinated fraud investigations and information as needed with the Special Investigation's Unit of the State Auditor's Office in accordance to Texas Government Code, Section 321.022.
- The TJJJ internet homepage <http://www.tjjd.texas.gov> contains a direct link to the TJJJ Abuse Hotline webpage for reporting fraud and includes a direct reference to the State Auditor's Office (SAO) hotline and webpage for reporting Fraud, Waste, and Abuse.
- In addition, the TJJJ Employee Handbook, Section III Reporting Illegal Activities includes references to reporting suspected fraud to SAO and a link to their website.

**Exhibit A**  
**Recommendations for FY 2025 Audit Plan Projects**

<b>Project Code</b>	<b>Project Name</b>	<b>Recommendation</b>	<b>Recommendation Status</b>
24-6	Determinate Sentenced Offender Audit	The Office of General Counsel should: A. Address errors identified by this audit. B. Retrain Intake staff on how to accurately account for credit towards minimum period of confinement. C. Improve the oversight process to ensure accuracy of entry of DSO commitment information.	Underway
24-6	Determinate Sentenced Offender Audit	The Office of General Counsel should: A. Review all current DSO minimum period of confinements and end of sentences to ensure accurate migration of data into Connect. B. Collaborate with IT to ensure implementation of Connect will accurately calculate minimum period of confinement and end of sentence.	Underway
24-6	Determinate Sentenced Offender Audit	To ensure communication of expectations related to determinate sentenced offender reviews and exit interviews, the Senior Director of Integrated Treatment and Intervention Services should ensure policy is updated to reflect: A. The required intervals for conducting routine DSO reviews and exit interviews. B. The party responsible for ensuring youth are provided with their required reviews. C. The process and purpose for conducting a routine DSO review.	Underway
24-6	Determinate Sentenced Offender Audit	The Director of Integrated Treatment Services should: A. Ensure reminders for routine DSO reviews are updated to reflect the required intervals. B. Provide guidance on completion of DSO reviews pending policy updates, and implement a monitoring to ensure DSO reviews are completed as required for a specified time period.	Underway

<b>Project Code</b>	<b>Project Name</b>	<b>Recommendation</b>	<b>Recommendation Status</b>
24-6	Determinate Sentenced Offender Audit	The Deputy Executive Director should determine if policy updates are needed in relation to DSOs receiving credit towards their MPC while on furlough	Underway
24-6	Determinate Sentenced Offender Audit	The Office of General Counsel should: A. Work with the Texas Department of Criminal Justice to ensure policy reflects the documents needed for youth transfer. B. Implement a checklist to ensure all required documents are provided to TDCJ upon youth transfer.	Underway
24-6	Determinate Sentenced Offender Audit	General Counsel should ensure the memorandum of understanding with TDCJ is updated periodically and/or as needed to reflect agency changes in programming.	Underway
24-1B	Facility Gang Audit	The Chief Inspector General should: A. Finalize completion of the review of all currently confirmed youth to ensure they meet current expectations as outlined by the Attorney General's office. B. Ensure expectations are outlined in policy and communicated to staff prior to confirming youth as gang affiliated and submitted to TxGANG.	Underway
24-1B	Facility Gang Audit	The Deputy Executive Director should: A. Evaluate and determine the need for the Gang Intervention Treatment Program Leadership Guide. B. Ensure policy outlines how non-court ordered youth (secondary target population) are identified for treatment and how youth are tracked to ensure treatment is provided.	Underway

Project Code	Project Name	Recommendation	Recommendation Status
24-1B	Facility Gang Audit	The Chief Inspector General should evaluate the Contractor's access to the CRIMES data and determine if current "write" access and training requirements are appropriate for the access provided to the contractor.	Underway
24-1B	Facility Gang Audit	Due to the nature of these findings, full details and information are not included within this report in accordance to Texas Government Code, Sections 2059.055 and 552.139.	Management Reports Implemented
25-8	Legislative Reporting Division Use of TEA Student Data Audit	Due to the nature of these findings, full details and information are not included within this report in accordance to Texas Government Code, Sections 2059.055 and 552.139.	Underway
25-5	Parole Services Audit	To enhance the utilization of exclusion zones, Director of Reentry Services should: <ul style="list-style-type: none"> <li>A. Establish guidance on configuring inclusion and exclusion zones within the electronic monitoring system based on youth activities, behavior, and identified risk.</li> <li>B. Provide staff training on best practices for zone setup and effective use of electronic monitoring features.</li> <li>C. Implement periodic reviews of youth electronic monitoring configurations to ensure zones are applied consistently and appropriately.</li> </ul>	Underway
25-5	Parole Services Audit	To ensure accurate and consistent documentation of electronic monitor Program Service entries in Connect, the Manager of Parole Services should: <ul style="list-style-type: none"> <li>A. Provide refresher training on documentation procedures for EM Program Services and progress tracking.</li> <li>B. Conduct periodic reviews to verify the accuracy and completeness of EM Program Service records.</li> </ul>	Underway

Project Code	Project Name	Recommendation	Recommendation Status
25-5	Parole Services Audit	<p>To ensure parole services are monitored for compliance, the Director of Reentry and Parole should:</p> <ul style="list-style-type: none"> <li>A. Establish guidance regarding the completion of the Reentry System and Parole Operations Monitoring tool (CCF0- 840) and expectations for documenting actions taken when non-compliance is identified.</li> <li>B. Determine if policy requires an update to adjust the frequency of when the CCF-840 will be completed.</li> </ul> <p>Implement oversight to ensure completion of the CCF-840 aligns with expectations and policy.</p>	Underway
25-5	Parole Services Audit	<p>The Director of Reentry and Parole services should:</p> <ul style="list-style-type: none"> <li>A. Ensure policy meets expectations for required coaching methods and intervals.</li> <li>B. Implement periodic monitoring of compliance with Regional EPICS Coaching Plans.</li> </ul>	Underway
25-5	Parole Services Audit	<p>Due to the nature of findings, full details and information are not included within this report in accordance to Texas Government Code, Sections 2059.055 and 552.139.</p>	Management Reports Implemented