



A Contracting Audit of the **Texas Department of Family and Protective Services**

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Executive Summary

Purpose and Scope

The objectives of the Texas Department of Family and Protective Services (Department) contracting audit were to determine whether:

- Contracts were solicited, awarded and managed according to applicable state laws and Comptroller requirements.
- The Department acquired goods and services in an effective and efficient manner.
- Contract payments were processed according to applicable contract terms, state laws, Comptroller requirements and statewide automated system guidelines.
- Documentation to support the procurement and contracting activities and related payments was appropriately maintained.

This audit was conducted by the Texas Comptroller of Public Accounts (Comptroller's office), and covers the period from June 1, 2017, through May 31, 2018.

Background

The Texas Department of Family and Protective Services works with communities to promote safe and healthy families and protect children and adults from abuse, neglect and exploitation through investigations, services, referrals and prevention programs. The Department oversees the following programs: Adult Protective Services, Child Protective Services, Investigations, Prevention and Early Intervention, and Statewide Intake.

Texas Department of Family and Protective Services website
<https://www.dfps.state.tx.us>

Audit Results

The Department generally complied with the General Appropriations Act (GAA), relevant statutes and Comptroller requirements, and no significant control issues existed. The following table shows an overview of audit results.

Contract Transactions		
Audit Question	Results	Rating
Did the purchase/ procurement and contract-related payments comply with the GAA, pertinent statutes and Comptroller requirements?	No issues	Fully Compliant



Detailed Finding

Contract Transactions

Auditors reviewed three contracts totaling \$22,579,346 and developed a sample of 31 contract payments totaling \$8,894,107.78 to ensure the Department complied with the GAA, [eXpendit \(FPP I.005\)](#), [State of Texas Procurement and Contract Management Guide](#) and pertinent statutes. Audit tests revealed no exceptions for this group of transactions.

Contract	Amount	Type of Service	Procurement Cycle				
			Planning	Procurement Method Determination	Vendor Selection	Contract Formation/Award	Contract Management
Contract A	\$0*	Child Placing Agency	No exceptions	No exceptions	No exceptions	No exceptions	No exceptions
Contract B	\$5,739,760	Family-Based Safety Service	No exceptions	No exceptions	No exceptions	No exceptions	No exceptions
Contract C	\$16,839,586	Services to At-Risk Youth	No exceptions	No exceptions	No exemptions	No exceptions	No exceptions

*This is an enrollment contract. The Department pays provider based on the number of child placements needed.



Appendices

Appendix 1 — Objectives, Scope, Methodology, Authority and Team

Audit Objective

The objective of this audit was to ensure contracting processes and payments comply with state laws and regulations.

Audit Scope

Auditors reviewed three contracts awarded by the Department of Family and Protective Services (Department) that were processed through USAS from Sept. 1, 2017, through Aug. 31, 2017, to determine compliance with applicable state laws.

The Department received appendices with the full report and/or a management letter, including a list of identified errors. Copies of the appendices may be requested through a [Public Information Act](#) inquiry.

Texas law requires the Texas Comptroller of Public Accounts (Comptroller's office) to audit claims submitted for payment through the Comptroller's office. All payment transactions are subject to audit regardless of amount or materiality.

The audit provides a reasonable basis for the findings set forth in this report. The Department should implement the recommendation made in the Detailed Findings of this report. It is the Department's responsibility to seek refunds for all overpayments unless it determines it is not cost effective to do so. If necessary, the Comptroller's office may take the actions set forth in Texas Government Code, Section 403.071(h), to ensure that the Department's documents comply in the future. The Department must ensure that the findings discussed in this report are resolved.

Audit Methodology

The Expenditure Audit section uses limited sampling to conduct a post-payment audit, and relies on professional judgment to select areas the auditor considers high risk.

Fieldwork

Each auditor in the Expenditure Audit section approaches each audit with an appropriate level of professional skepticism based on the results of the initial planning procedures.

If an auditor suspects during an audit that fraud, defalcation or intentional misstatement of the facts has occurred, the auditor will meet with his or her supervisor, the Statewide Fiscal Oversight manager, or both, to decide what action or additional procedures would be appropriate.



Audit Authority

State law prohibits the Comptroller's office from paying a claim against a state agency unless the Comptroller's office audits the corresponding voucher.

- Texas Government Code, Sections 403.071(a), 403.078, 2103.004(a)(3).

State law allows the Comptroller's office to audit a payment voucher before or after the Comptroller's office makes a payment in response to that voucher.

- Texas Government Code, Section 403.071(g)-(h).

In addition, state law authorizes the Comptroller's office to conduct pre-payment or post-payment audits on a sample basis.

- Texas Government Code, Sections 403.011(a)(13), 403.079, 2155.324.

Audit Team

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Appendix 2 — Definition of Ratings

Compliance Areas

Definition	Rating
Agency complied with applicable state requirements and no significant control issues existed.	Fully Compliant
Agency generally complied with applicable state requirements; however, control issues existed that impact the agency's compliance, or minor compliance issues existed.	Compliant, Findings Issued
Agency failed to comply with applicable state requirements.	Noncompliant
Restrictions on auditor's ability to obtain sufficient evidence to complete all aspects of the audit process. Causes of restriction include but are not limited to: <ul style="list-style-type: none">• Lack of appropriate and sufficient evidentiary matter.• Restrictions on information provided to auditor.• Destruction of records.	Scope Limitation

Internal Control Structure/Security Areas

Definition	Rating
Agency maintained effective controls over payments.	Fully Compliant
Agency generally maintained effective controls over payments; however, some controls were ineffective or not implemented. These issues are unlikely to interfere with preventing, detecting, or correcting errors or mitigating fraudulent transactions.	Control Weakness Issues Exist
Agency failed to effectively create or implement controls over payments.	Noncompliant

Repeat Finding Icon Definition



This issue was identified during the previous post-payment audit of the agency.