



INTERNAL AUDIT DIVISION | FISCAL 2024

# Internal Audit Annual Report

*Submitted to*

**Governor's Office - Budget and Policy Division  
Texas Comptroller of Public Accounts  
Legislative Budget Board  
State Auditor's Office**



**GLENN HEGAR  
TEXAS COMPTROLLER OF PUBLIC ACCOUNTS**



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## I. COMPLIANCE WITH POSTING REQUIREMENTS

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The Texas Comptroller of Public Accounts has developed a process to follow to ensure compliance with the provisions of Texas Government Code Section 2102.015. The approved *Internal Audit Annual Audit Plan*, as provided by Texas Government Code Section 2102.008, was posted on the Comptroller's website (<https://comptroller.texas.gov/transparency/reports/cpa-operations/>). In addition, the *Internal Audit Annual Report*, as required by Texas Government Code Section 2102.009, will be posted on the Comptroller's website.

In accordance with Texas Government Code Title 5 Open Government Ethics, Chapter 552 Public Information, Subchapter C Information Excepted from Required Disclosure, the Internal Audit Division will not release any confidential or sensitive information protected by this exception. Any information not protected by this or another applicable exception that is determined to be confidential in nature will be specifically designated as such in accordance with the State Auditor's Office (SAO) guidelines. No information contained in the agency's *Internal Audit Annual Audit Plan* or *Internal Audit Annual Report* is excepted from public disclosure under Chapter 552.

Texas Government Code Section 2102.015 also requires state agencies to update the posting required under this section to include:

- A "detailed summary of the weaknesses, deficiencies, wrongdoings or other concerns, if any, raised by the audit plan or annual report."
- A "summary of the action taken by the agency to address the concerns, if any, that are raised by the audit plan or annual report."

To ensure compliance, reports on the implementation status of audit recommendations are posted on the Comptroller's website (<https://comptroller.texas.gov/transparency/reports/cpa-operations/>), unless excepted from public disclosure.

**II. INTERNAL AUDIT PLAN FOR FISCAL 2024**

Fiscal 2024 Audits	Status
Audit of Hardware and System Software Administration – Workstations, Cloud and Mobile	Completed Report Title: An Internal Audit Report on the Audit of Hardware and System Software Administration – Workstations, Cloud and Mobile Report No.: 96-1893 Report Date: February 2024
Audit of Business Application Maintenance and Support - Tools	Completed Report Title: Internal Audit Report on Business Application Maintenance and Support - Tools Report No.: 96-2012 Report Date: August 2024
Audit of Outsource Collections of Delinquent Taxes	Completed Report Title: Internal Audit Report on the Audit of Outsource Collections of Delinquent Taxes Report No.: 96-1896 Report Date: May 2024
Audit of Habitat Protection Fund Contract Management (Previously the Audit of Species Research Funding and Management)	Completed Report Title: Internal Audit Report on the Audit of Habitat Protection Fund Contract Management Report No.: 96-1895 Report Date: May 2024
Audit of Assist Personnel in Processing and Reporting Payroll, Personnel and Financial Data	Completed Report Title: Internal Audit Report on the Audit of Assist Personnel in Processing and Reporting Payroll, Personnel and Financial Data Report No.: 96-1982 Report Date: July 2024
Audit of Franchise and Electronic Reporting (Previously the Audit of Electronic Filing Systems)	Completed Report Title: Internal Audit Report on the Audit of Franchise and Electronic Reporting Report No.: 96-1867 Report Date: August 2024
Audit of Information Technology (IT) Procurement and Supplier Management	Completed Report Title: Internal Audit Report on the Audit of IT Procurement and Supplier Management Report No.: 96-1897 Report Date: May 2024

**INTERNAL AUDIT ANNUAL REPORT FOR FISCAL 2024**

<b>Fiscal 2024 Audits</b>	<b>Status</b>
Audit of Customer Service, Public Outreach and Training	In progress. Fieldwork phase.
Audit of Data Loss Prevention	Completed Report Title: Internal Audit Report on Data Loss Prevention Report No.: 96-1894 Report Date: April 2024
Audit of Texas Treasury Safekeeping Trust Company (TTSTC) IT General Controls (Previously the Audit of System Maintenance, Administration and User Testing)	In progress. Reporting phase.
Audit of TTSTC Contracts Administration and Procurements	Completed Report Title: Internal Audit Report on the Audit of Contracts Administration and Procurements Report No.: 96-1981 Report Date: June 2024

<b>Fiscal 2024 Process Reviews</b>	<b>Status</b>
Process Review of TTSTC Finance	Process review removed after plan reevaluation due to low risk factor status.
Process Review of Legal Counsel	In progress.
Process Review of Spokesperson (Previously the Process Review of Editorial)	Completed Memo issued. Sept. 23, 2024
Process Review of Procurement Policy and Outreach	Completed Memo issued. April 22, 2024
Process Review of Education and Communications	Completed Memo issued. Sept. 5, 2024
Process Review of Fiscal Operations	Completed Memo issued. Oct. 18, 2024
Process Review of Analyze, Evaluate and Administer Statewide Broadband Efforts	Changed to a consulting engagement.

**INTERNAL AUDIT ANNUAL REPORT FOR FISCAL 2024**

<b>Fiscal 2023 "In Progress" Audits</b>	<b>Status</b>
Audit of Hardware and System Software Administration	Completed Report Title: An Internal Audit Report on Hardware and Systems Software Administration Report No.: 96-1890 Report Date: September 2023
Audit of Administrative Hearings Activities	Completed Report Title: An Internal Audit Report on the Audit of Administrative Hearings Activities Report No.: 96-1889 Report Date: September 2023
Audit of Investment Accounting	Completed Report Title: An Internal Audit Report on the Audit of Investment Accounting Report No.: 96-1873 Report Date: August 2023
Audit of Data and Remittance Entry	Completed Report Title: An Internal Audit Report on the Audit of Data and Remittance Entry Report No.: 96-1891 Report Date: September 2023
Audit of Cash and Securities Processes	Completed Report Title: An Internal Audit Report on the Audit of Cash and Securities Processes Report No.: 96-1892 Report Date: February 2024



**III. CONSULTING SERVICES AND NON-AUDIT SERVICES COMPLETED**

Report Number	Report Date	Report Name	High-Level Objective(s)	Observations/Results and Recommendations
N/A	N/A	N/A	Information Protection Policies and Standards (IPPS)	Consulted with Information Security on enforcement of the IPPS. Attended IPPS Review Committee meetings.
N/A	N/A	N/A	Special Investigations	Investigations were conducted and appropriate actions were taken to respond to complaints received.
N/A	N/A	N/A	Information Technology Steering Committee (ITSC)	This ongoing consulting engagement provides for Internal Audit to serve in an advisory capacity to the ITSC that guides and directs efforts to align IT investments with the needs of the divisions.
N/A	N/A	N/A	External Auditor Liaison	Performed liaison activities with external auditors (i.e., SAO and Clifton Larson Allen, LLP) conducting audits at the Comptroller's office.
N/A	N/A	N/A	Security Governance Council	This ongoing consulting engagement provides for the Internal Audit Division to serve in an advisory capacity on the council that oversees and sanctions the protection of agency information and information resources.
N/A	N/A	N/A	Agency Anti-Fraud Committee	This ongoing consulting engagement provides for the Internal Audit Division to serve in an advisory capacity on the committee that exists to educate employees about; address instances of; investigate allegations of; and provide leadership on matters of fraud, theft, waste and abuse throughout the agency.
N/A	Sept. 5, 2024	Memo	Process Review of Education and Communications	The Internal Audit Division performed a limited review of the procedures supporting the Property Tax Assistance Division's processes to develop and administer electronic surveys, collect and analyze data and produce reports and data visualization tools within the Education and Communications section in accordance with the statutes and administrative rules applicable to the business processes under review. Internal Audit concluded the Education and Communications section has properly designed controls governing the process; minimized perceived areas of potential risks and has current procedures that comply with applicable statutes. Improvement opportunities were identified, and corrective action plans are in progress to enhance current procedures for quality control review, approval routing, workflow diagram, activity tracking, file naming conventions and restricted access to ensure accuracy, completeness and reliability of reported survey data.

**IV. EXTERNAL AUDIT SERVICES PROCURED**

<b>Name of External Auditor</b>	<b>Services Provided</b>	<b>Date of Service (Report Date)</b>
RSM US LLP	Financial Audit of the Programs Administered by the Texas Prepaid Higher Education Tuition Board for Fiscal Year 2023	Dec. 15, 2023
RSM US LLP	Financial Audit of the Texas College Savings Plans for Fiscal Year 2023	Nov. 1, 2023
Cohen & Co.	Financial Audit of the Texas Tuition Promise Fund for Fiscal Year 2023	Nov. 1, 2023
Cohen & Co.	Financial Audit of the Texas ABLE Program for Fiscal Year 2023	Oct. 31, 2023
Audit Services, U.S. LLC	Audit Services for Unclaimed Property	Fiscal 2024 to current
Discovery Audit Services	Audit Services for Unclaimed Property	Fiscal 2024 to current
EECS, LLC	Audit Services for Unclaimed Property	Fiscal 2024 to current
Innovative Advocate Group	Audit Services for Unclaimed Property	Fiscal 2024 to current
Kelmar Associates, LLC	Audit Services for Unclaimed Property	Fiscal 2024 to current
Kroll Government Solutions	Audit Services for Unclaimed Property	Fiscal 2024 to current
Treasury Services Group	Audit Services for Unclaimed Property	Fiscal 2024 to current
RSM US LLP	Audit of FY23 Financial Statements of TTSTC	Dec. 20, 2023
RSM US LLP	Attestation of Compliance with TTSTC Incentive Compensation Plan	Dec. 20, 2023
RSM US LLP	Audit of FY23 Financial Statements of State Water Implementation Fund for Texas (SWIFT)	Dec. 15, 2023
RSM US LLP	Attestation of Compliance with Investment Policy of SWIFT	Dec. 15, 2023
RSM US LLP	Audit of FY23 Financial Statements of Texas Local Government Investment Pool (TexPool)	Dec. 13, 2023
RSM US LLP	Attestation of TexPool's Compliance with Investment Policy and the Public Funds Investment Act	Dec. 13, 2023
RSM US LLP	Audit of FY23 Financial Statements of Texas Local Government Investment Pool Prime (TexPool Prime)	Dec. 13, 2023
RSM US LLP	Attestation of TexPool Prime's Compliance with Investment Policy and the Public Funds Investment Act	Dec. 13, 2023
RSM US LLP	Audit of 2023 Financial Statements of Tobacco Settlement Permanent Trust Fund	March 15, 2024
RSM US LLP	Attestation of Compliance with Investment Policy of Tobacco Settlement Permanent Trust Fund	March 15, 2024
RSM US LLP	Attestation of Compliance with Distribution Policy of Tobacco Settlement Permanent Trust Fund	March 15, 2024

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Name of External Auditor	Services Provided	Date of Service (Report Date)
KPMG LLP	System and Organization Controls (SOC 1) Report on Texas Comptroller of Public Accounts' Description of its Centralized Accounting Payroll/Personnel System and the Suitability of the Design and Operating Effectiveness of Controls	Estimated on or before Oct. 15, 2024
Abdessamad Ait Ali/State Sales Tax Consulting, LLC	Sales and Use Tax Examination Services	Fiscal 2024 Sept. 1, 2023, through Aug. 31, 2024
Andres J. Gonzalez		
Brenda Lynn Tschirhart		
Cindy Reed, CPA/State Tax Consulting, LLC		
Dale Ruzicka/State Tax Consulting, LLC		
Daniel E. Williams		
David D. Dunn/Dunn Tax Group LLC		
David Garcia/New Path Accountability LLC		
Delores A. Nornberg		
Dibrell P. Dobbs		
Dixie Smith, CPA/State Tax Consulting, LLC		
Dwondlyn Chatman		
Fabian Avina		
Flor H. Holmes		
Frank Castro/Texas Tax Consulting Group LC		
Jose (Joe) Granados/JPG-EJG, LLC		
Julie R. Ortiz, CPA		
Khristina Mitchell/Khrista Marque, LLC		
L. C. Gordon, Jr., CPA/Taygor Associates, LLC		
Lisa Loughney		
Marina Roy Buenaventura, CPA		

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Name of External Auditor	Services Provided	Date of Service (Report Date)
Michiell Stites/Stites Pybus LLC	Sales and Use Tax Examination Services	Fiscal 2024
Natan Yadete, CPA/New Path Accountability LLC		Sept. 1, 2023, through Aug. 31, 2024
Paul Hernandez		
RFabyan Consulting LLC		
Ricardo Salazar, CPA		
Ronald Robinson		
Stephanie (Clark) Jackson		
Sylvia Villanueva Flaherty		
Trevor Garrett/Garrett State Tax Service Inc.		
Trynise Lynn'ea Lee McKnight		
Vernice Seriale, Jr.		
Wayne A. Powe		
Wayne Wharton/State and Local Tax Group LLC		
Yunping Hu		

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

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August 31, 2023

Cheryl Scott  
Director of Internal Audit  
Texas Comptroller of Public Accounts

Dear Ms. Scott,

We have completed the peer review of the Texas Comptroller's of Public Accounts (Comptroller's Office) Internal Audit Department for the period 7/2022-6/2023. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Manual* published by the State Agency Internal Audit Forum (SAIAF).

The Institute of Internal Auditors (IIA) International Standards for the Professional Practices of Internal Auditing and Code of Ethics, U.S. Government Accountability Office (GAO) Government Auditing Standards, and the Texas Internal Auditing Act (Texas Government Code, Chapter 2102) require that internal audit functions obtain external quality assurance reviews (peer reviews) to assess compliance with standards and the Act and to appraise the quality of their operations.

We reviewed the internal quality control system and conducted tests to determine if the internal quality control system operated to provide reasonable assurance of conformance with the IIA Standards, the GAO Standards and the Texas Internal Auditing Act. Due to variances in individual performance and judgment, conformance does not imply adherence to standards in every case but does imply adherence in most situations. Based on the information received and evaluated during this external quality assurance review, it is our opinion that the Comptroller's Office Internal Audit Department receives a rating of Pass/Generally Conforms.

"Pass/Generally Conforms" means that the audit organization's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with applicable professional standards (International Standards for the Professional Practices of Internal Auditing and Code of Ethics, U.S. Government Accountability Office Government Auditing Standards, and the Texas Internal Auditing Act) in all material respects. There may be opportunities for improvement, but these should not present situations where the activity has not implemented the professional standards and has not applied them effectively or achieved their stated objectives. As indicated above, general conformance does not require complete or perfect conformance, the ideal situation or successful practice, etc. This is the highest of three possible ratings that can be achieved.

We have provided suggested improvements in a separate communication to further strengthen the internal quality control system. The Comptroller's Office Internal Audit Department has reviewed the results of the work performed by the peer review team and accepted them to be an accurate representation of operations. To the extent lawful, the Comptroller's Office Internal Audit Department agrees to hold SAIAF and its officers and representatives harmless of any liability arising from the actions of the peer review team or issues resulting from the peer review.

*Signature on File*

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Marios Parpounas, CIA, CFE, CISA, CGFM  
Director of Internal Audit  
Office of the Governor

**VI. INTERNAL AUDIT PLAN FOR FISCAL 2025****FISCAL 2025 AUDITS**

<b>Project Title</b>	<b>Division</b>	<b>Section</b>	<b>Project Hours</b>
Audit of Treasury Cash Transfers and Online Receipt Balancing	Treasury Operations	Cash and Securities Management	1,260
Audit of Printing and Distributing Warrants	Information Technology	IT Client Support	760
Audit of Priority Payments	Fiscal Management	Payment Operations Area	690
Audit of Access Management	Information Technology	Infrastructure and Security and Planning - Access Management	2,100
Audit of Statewide Contract Development	Statewide Procurement	Statewide Contract Development and Contract Management	1,230
Audit of Franchise Tax Administration	Account Maintenance	Franchise and Electronic Reporting	1,510
Audit of CAPPs Data Changes and Help Desk Support	Fiscal Management	HR/Payroll Operations Area	1,480
Audit of Agency Governance Processes	All Divisions	All Sections	1,325
Audit of Judiciary Disbursements and Agency Payroll and Leave Accounting	Agency Administration	Budget and Internal Accounting	1,525
Audit of Data Center	Information Technology	Infrastructure - Change Coordinator/Data Center Manager	760
Audit of Sales Tax Setups and Maintenance	Account Maintenance	Sales, Fuels/IFTA and Operations	1,460
Audit of Trust Company Accounting and Reporting	Texas Treasury Safekeeping Trust Company (TTSTC)	Finance	600
		<b>Total Fiscal 2025 Audit Hours</b>	<b>14,700</b>

**FISCAL 2025 PROCESS REVIEWS**

<b>Project Title</b>	<b>Division</b>	<b>Section</b>	<b>Project Hours</b>
Process Review of Criminal Investigations - Bullion Depository	Criminal Investigations	Administration/Professional Standards	275
Process Review of Petty Cash	Fiscal Management	Fiscal Operations Area	280
		<b>Total Fiscal 2025 Process Review Hours</b>	<b>555</b>

**FISCAL 2024 AUDITS IN PROGRESS**

<b>Project Title</b>	<b>Division</b>	<b>Section</b>	<b>Project Hours</b>
Audit of Business Application Maintenance and Support - Tools	Information Technology	Application Services, Infrastructure, Planning and Analytics and Security Data Operations	50
Audit of Franchise and Electronic Reporting	Account Maintenance	Franchise and Electronic Reporting	125
Audit of Customer Service, Public Outreach and Training	Tax Policy	All Sections	320
Audit of TTSTC IT General Controls	Texas Treasury Safekeeping Trust Company	Finance	610
		<b>Total Fiscal 2024 Audits in Progress Hours</b>	<b>1,105</b>

**FISCAL 2024 PROCESS REVIEWS IN PROGRESS**

<b>Project Title</b>	<b>Division</b>	<b>Section</b>	<b>Project Hours</b>
Process Review of Spokesperson	Communications and Information Services	Editorial	200
Process Review of Fiscal Operations	Fiscal Management	Fiscal Operations Area	90
Process Review of Legal Counsel	Fiscal and Agency Affairs Legal Services	Legal Counsel	90
Process Review of Education and Communications	Property Tax Assistance Division	Education and Communications	30
		<b>Total Fiscal 2024 Process Reviews in Progress Hours</b>	<b>410</b>



**SPECIAL PROJECTS/MANAGEMENT REQUESTS**

Project Title	Project Hours
Follow-Ups	195
Client Assist (Internal/External)	210
Fiscal 2024 Internal Audit Annual Report	20
ERM Risk Consolidation	950
Fiscal 2026 Risk Assessment	765
Fiscal 2025 Audit Plan Monitoring	120
TeamMate Maintenance	80
Internal Audit SharePoint Maintenance	15
TeamMate Template Revision	105
Quality Assurance Reporting	20
IT Steering Committee	10
Internal Audit Handbook Review	104
IT Audit Template	320
Legislative Analysis	190
Special Investigations	80
External Peer Reviews	40
Internal Audit Awareness	85
TTSTC Board/Committee Meetings	60
<b><i>Special Projects/Management Requests Carry Forward:</i></b>	
Fiscal 2025 Risk Assessment	10
Other Requests/Unallocated Hours	235
<b>Total Special Projects/Management Requests</b>	<b>3,614</b>

**SUMMARY OF HOURS**

<b>Summary</b>	<b>Total Hours</b>
Total Fiscal 2025 Audit Hours	14,700
Total Fiscal 2025 Process Review Hours	555
Total Fiscal 2024 Audits in Progress Hours	1,105
Total Fiscal 2024 Process Reviews in Progress Hours	410
Total Special Projects/Management Requests	3,614
<b><i>Direct Audit Hours</i></b>	<b>20,384</b>
<b><i>Indirect Hours</i></b>	<b>8,736</b>
<b><i>Total Hours</i></b>	<b>29,120</b>

The Internal Audit Division developed the Internal Audit Plan for fiscal 2025 in accordance with the Texas Internal Auditing Act. The Act requires that the Division conduct an annual risk assessment and develop the approved Annual Internal Audit Plan based on the results of the annual risk assessment. The risk assessment is based on 411 processes reported through the Risk Management Program. The Division analyzed and assessed the risks to those processes by using the self-assessment module of the Division’s TeamMate audit software, supplemental risk questionnaires, interviews with division directors and business criticality ratings from each division’s business Impact analysis. The Division considered risks related to contract management [Texas Government Code Section 2102.005(b)] and information technology [Title 1 Texas Administrative Code Chapter 202 (Information Security Standards)] in its risk-assessment process by obtaining probability and impact and monitoring risk-level ratings for applicable agency processes through the TeamRisk self-assessments. The Division reviewed these risk-level ratings further and adjusted, as needed, based on auditor judgment in the TeamRisk auditor assessment worksheet.

**RISK FACTORS AND WEIGHTS**

<b>Risk Area</b>	<b>Risk Weight</b>
Control Environment	12.50%
Risk and Monitoring	12.50%
Dollar Value of Transactions	10.00%
Reliance on Third Parties	5.00%
Organizational Changes	5.00%
Legislative Interest	2.50%
Confidential Information	10.00%
Management Concern	10.00%
Information Systems	7.50%
Artificial Intelligence	10.00%
Business Process Criticality	15.00%

The risk assessment identified 47 high-risk, 323 medium-risk and 41 low-risk processes. To provide coverage for all high risks:

- Eleven processes will be covered in eight audits.
- One process will be covered in a process review.
- Twenty-five processes were covered in previously conducted audits.
- Nine processes were covered in previously conducted process reviews.
- One high-risk process will not be covered due to the implementation of a new system.

The Division will perform an audit of the agency’s governance processes, which is required by the International Standards for the Professional Practice of Internal Auditing that govern the Division. Additionally, the following audits will be performed for five medium-risk processes:

- One audit will be performed for the TTSTC that will cover one medium-risk process.
- Two IT audits will cover four medium risks.

Further, a process review will be performed on two low-risk processes to aid the divisions in identifying relevant risks and controls.

## VII. REPORTING SUSPECTED FRAUD AND ABUSE

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The Comptroller's office has taken several measures to address the potential misuse or misappropriation of state resources. The Comptroller's office has also taken action to implement the requirements to report suspected fraud, waste and abuse involving state resources directly to the SAO.

Actions taken to implement the requirements of:

- a. Fraud Reporting Section 7.09, page IX-40, the General Appropriation Act (88th Legislature)

The home page of the Comptroller's website (<https://comptroller.texas.gov/>) contains a Fraud and Consumer Alert link (<https://comptroller.texas.gov/fraud-alert/>) directing consumers to information on how to report suspected fraud, waste and abuse involving state resources directly to the SAO. The Additional Resources section has a direct link to the SAO's Reporting Fraud page (<https://sao.fraud.texas.gov/>). The SAO's phone number for reporting fraud, 800-TX-AUDIT (892-8348), a link to the SAO's online fraud reporting form, the SAO's mailing address for investigations and facsimile number are included in the information provided on the Reporting Fraud page.

The Comptroller's intranet website contains a Report Fraud link at the bottom of the page that directs users to the SAO's Reporting Fraud page. This webpage provides information and instructions on reporting suspected fraud, waste and abuse to the SAO. This page also has the SAO's hotline number for reporting fraud, 800-TX-AUDIT (892-8348), and instructions on submitting reports of suspected fraud, waste and abuse online, by mail or by facsimile.

The Employee Handbook of the Comptroller's office, Chapter 15: Compliance and Risk Assessment – Policy Prohibiting Fraud, Waste, Theft and Abuse, includes information on how to report suspected fraud involving state funds to the SAO by calling 800-TX-AUDIT (892-8348) or by making a report online (<https://sao.fraud.texas.gov/>). The same Employee Handbook includes a requirement that all employees complete fraud awareness training each fiscal year.

The Comptroller's Internal Audit Division website also contains links and contact information that include the SAO's phone number for reporting fraud, 800-TX-AUDIT (892-8348); the link to the SAO's Fraud website (<https://sao.fraud.texas.gov/>); the link to the SAO Fraud Reporting Form (<https://sao.fraud.texas.gov/ReportFraud/>); the link to the GAO's FraudNET (<https://www.gao.gov/about/what-gao-does/fraud>); and the GAO's toll-free number, 800-424-5454, and fax number, 202-512-2841.

- b. Texas Government Code Section 321.022: Coordination of Investigations

The Comptroller's office has established the "Policy Prohibiting Fraud, Waste, Theft and Abuse" and is committed to preventing fraud, waste, theft and abuse by its employees and any consultant, vendor, contractor, outside agency or person in dealings with the agency or the state of Texas.

Each employee is required to report any suspected fraud, theft, waste or abuse to the agency. An employee may make a report to his or her supervisor, directly to the Ethics Officer or Anti-Fraud Coordinator, online at <https://cpa.cpa.state.tx.us/at-work/fraud/reporting.php>, through the internal Employee Hotline by calling (toll free) 833-227-0772, emailing [employee.hotline@cpa.texas.gov](mailto:employee.hotline@cpa.texas.gov) and/or faxing 512-936-0696.

Employees can report suspected fraud involving state funds to the SAO by calling 800-TX-AUDIT (892-8348) or by making a report online at <https://sao.fraud.texas.gov/>.

The Comptroller's office takes allegations of fraud, waste, theft and abuse seriously and will investigate any allegation made in good faith.

When an allegation of suspected fraud, waste, theft and abuse is reported to the agency, the Ethics Officer or Anti-Fraud Coordinator may collect additional information from the employee or other person making the report and will make a preliminary determination whether the allegations should be investigated by the Criminal Investigations Division, Internal Audit, Human Resources, the Ethics Officer or some combination of these, or another appropriate person or entity.

The Ethics Officer provides legal advice to the agency regarding the investigation and findings.

The Anti-Fraud Coordinator will report any finding of fraud to the SAO as required.



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