Texas Department of Motor Vehicles

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Fiscal Year 2025 Internal Audit Plan

Internal Audit Division

August 2024

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Executive Summary

The Internal Audit Division's (IAD) Internal Audit Plan (Plan) for fiscal year (FY) 2025 covers the period of September 2024 through August 2025. This Plan includes risk-based audits, advisory services, required activities, value-added services, and division initiatives as illustrated in Figure 1 below.

Figure 1. Summary of the FY 2025 Internal Audit Plan:

Audits
- Fleet Management
- Information Security
- Public Information Request
- Network Infrastructure and Monitoring
- Special Plates

Advisory Services
- Motor Carrier Licensing
- Consumer Relations Division Quality Assurance
- Contract Monitoring

Required Activities
- FY 2024 Internal Audit Annual Report
- Quality Assurance and Improvement Program – Internal Assessment
- Audit Recommendation Implementation Status
- FY 2026 Risk Assessment and Internal Audit Plan
- Internal Audit Division Peer Review

Value-Added Services
- Investigations on Fraud, Waste, and Abuse
- External Audit/Review Coordination
- Workgroup Participation / Ad-hoc Advisory
- Department Training

Division Initiatives
- TeamMate+ Process Optimization
- Staff Development and Hiring

Detailed Information

Engagements

Tables 1 provides information on the planned risk-based audits, advisory services, and required activities for FY 2025 while Table 2 provides information on alternative engagements in place of those presented in Table 1.

Table 1. Planned Engagements

Topic	Potential Objective
Fleet Management Audit	This audit could determine the effectiveness of the vehicle maintenance practices, compliance with the State Fleet Plan, and fleet monitoring.
Information Security Audit	This audit could evaluate how the Department assesses and tracks vulnerabilities, the defenses in place to prevent malware, and the methods used to establish and maintain a security awareness program.
Public Information Request Audit	This audit could evaluate the internal controls on the Department's processes used to receive, track, and fulfill public information requests.
Network Infrastructure and Monitoring Audit	This audit could evaluate how the Department establishes, implements, and actively manages network devices as well as the processes in monitoring the network.
Special Plates Audit	This audit could evaluate the process and controls in processing special plates, such as personalized and military service license plates.
Motor Carrier Licensing Processes Advisory	This advisory could look at the licensing/renewal process for credentialing.
Consumer Relations Division Quality Assurance Advisory	This advisory could review the quality assurance program for opportunities to improve efficiency in current processes.
Contract Monitoring Advisory	This advisory could determine how contracts are being managed.

Topic	Potential Objective
FY 2024 Internal Audit Annual Report	A report produced in FY 2025 that summarizes IAD's activities conducted in FY 2024. This report will be submitted to the State Auditor's Office.
Quality Assurance and Improvement Program - Internal Assessment	A report produced in FY 2025. This is an internal assessment to determine IAD's compliance with audit standards and performance.
Audit Recommendation Implementation Status	An engagement to verify if outstanding audit recommendations have been fully implemented.
FY 2026 Risk Assessment and Internal Audit Plan	An enterprise-wide risk assessment to identify risk areas for the upcoming year. The Internal Audit Plan will be submitted to the State Auditor's Office.
Internal Audit Division Peer Review	Description

Table 2: Alternative Engagements

Topic	Potential Objective
Key Performance Metrics Audit	This audit could determine the accuracy of the reported performance metrics and the adequacy of related controls over the collection and reporting of selected performance metrics.
Closed Data Portal Audit	This audit could evaluate the controls in place prior to granting access to the Closed Data Portal and for ensuring appropriate use.
Leave and Overtime Advisory	This advisory could provide analysis on leave balances (e.g., vacation/comp time) in various divisions and approval processes.
Information Technology Governance Advisory	This advisory could assess the effectiveness of the governance structure in providing oversight over key information technology projects.

Value-Added Services and Division Initiatives

Value-Added Services

- **Investigations on Fraud, Waste, and Abuse:** Detecting, tracking, and reviewing any internal fraud, waste, and abuse allegations, complaints from external parties, and those from the State Auditor's Office. IAD investigates internal fraud, waste, and abuse allegations.

- **External Audit/Review Coordination:** Coordinating external audits or reviews by providing audit status updates and facilitating management responses to recommendations.

- **Workgroup Participation / Ad-hoc Advisory:** Participating in TxDMV workgroups, such as the Executive Steering Committee and the Governance Team, to help identify unforeseen risks in enterprise projects or activities. IAD also sets aside hours to address any short-term assessment or information requests by TxDMV staff.

- **Department Training:** Providing training to help TxDMV staff understand the role of IAD and staff's responsibilities in recommendation implementation and prevention of fraud, waste, and abuse.

Division Initiatives

- **TeamMate+ Process Optimization**: Enhancing the software's functionality by continuing to update the risks stored within the software, creating and automating reports, and staying current on best practices for optimized software functionality.

- **Staff Development & Hiring**: Taking the minimum required hours of training each year (40 hours) in accordance with auditing standards. This includes creating development plans to obtain required knowledge, skills, and abilities for audit and advisory services. Hiring internal audit staff to fill IAD vacancies and providing training to integrate new hires into the office.

Scope and Methodology

Scope

The Internal Audit Plan covers engagements and activities for the period of September 1, 2024 to August 31, 2025 (fiscal year 2025).

Risk Assessment

Risk Methodology

The audit plan was developed using a risk-based methodology which included input from discussions with TxDMV management and risks identified by audit staff through previous engagements and observations. IAD also analyzed TxDMV information, reviewed internal audit and industry publications, and analyzed audit topics by the State Auditor's Office and other State agencies. Finally, risks reviewed took into consideration additional factors such as:

- Operational impact;
- Reputational impact;
- Financial impact;
- Legal or regulatory impact;
- Degree of change in the program, function, or process;
- Degree of complexity;
- Control design strength.

Acceptable Risk Level

IAD aim to cover all Department functions or risks in its FY 2025 Internal Audit Plan. IAD's objective is to focus on key processes and areas of risk identified during the risk assessment to improve Department processes. Recognizing that IAD cannot address every key process and risk, it is important for the Board and executive management to understand the limits of the internal audit plan's coverage and the areas not audited. IAD believes the FY 2025 Internal Audit Plan adequately addresses key risks within IAD's capabilities and resources.