



Office of Injured Employee Counsel

Internal Audit Annual Report

Fiscal Year 2013

October 14, 2013
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I. Compliance with House Bill 16: Posting the Internal Audit Plan, Internal Audit Annual Report, and Other Pertinent Audit Information on Website

The Office of Injured Employee Counsel (OIEC) began posting individual audit reports and the Internal Audit Annual Report on the agency’s external website in fiscal year (FY) 2010. At that time all reports from FY 2008 and forward were placed on the website.

For each fiscal year since FY 2008 the agency’s Internal Audit Annual Report, which includes the Internal Audit Plans, also have been placed on the website.

These reports and other third-party reports are listed under “Publications” on the agency website (www.oiec.texas.gov). The audit reports are under the link “OIEC Audit Reports.”

OIEC will continue posting these reports on its website, and for FY 2014 the postings will include the additional summaries that are required by House Bill 16.

II. Internal Audit Plan for Fiscal Year 2013

FY 2013 Annual Audit Plan		Budgeted Hours
Assurance Services		1,080
• Agency Risk Management Policies and Procedures	120	
• Agency Social Media Policies and Procedures	120	
• Agency Training Activities	120	
• Ombudsman Program Audit	520	
• Agency Complaint Processes for FY 2012 and 2013	200	
Reserved for Management Assistance		150
Other Internal Audit Activities		530
• Internal Audit Charter for FY 2014	40	
• Continuing Education and Professional Development	50	
• FY 2012 Annual Reporting Activity	40	
• FY 2013 Internal Audit Plan	30	
• FY 2013 Internal Audit Risk Assessment and Audit Plan	40	
• Policy and Procedure Development	60	
• Other Administrative Projects	70	
• State Agency Internal Audit Forum Peer Reviews	80	
• Preparation of Peer Review Self-Assessment Documents	120	
Internal Auditor Paid Benefit Hours		320
• Annual Leave (12 months x 10 hours)	120	
• Sick Leave (12 months x 8 hours)	96	
• Paid State Holidays (13 x 8 hours)	104	
Total Project Hours		2,080

All the audit projects listed in the FY 2013 Audit Plan were completed during the fiscal year. The details of these projects are as follows:

Report No.	Report Date	Report Title
2013-005	March 11, 2013	Risk Management Review
2013-006	August 23, 2013	Social Media Policies and Procedures Review
2013-007	August 19, 2013	Agency Training Activities Review
2013-008	July 24, 2013	Agency Ombudsman Program Audit
2013-009	July 24, 2013	Complaint Processes Review

Each of the reports were presented and discussed with the Public Counsel on August 29, 2013.

III. List of Consulting Engagements and Non-Audit Services Completed

No consulting services or non-audit services were performed by the Internal Audit Department during FY 2013.

IV. External Quality Assurance Review

OIEC was established March 1, 2006, as a result of House Bill (HB) 7 during the 79th Texas Legislature, Regular Session, 2005. HB 7 abolished the Texas Workers' Compensation Commission (TWCC) and established the Division of Workers' Compensation as a division within the Texas Department of Insurance. HB 7 also preserved and moved TWCC's Ombudsman Program to OIEC.

As a relatively new agency, OIEC has had no external quality assurance reviews of its internal audit function to date.

During FY 2012 and FY 2013 the agency's Internal Auditor participated as a peer review team member of the State Agency Internal Audit Forum in quality assurance reviews of the Texas Juvenile Justice Department and the Texas Department of State Health Services. This participation has enabled OIEC's Internal Auditor to earn required credits toward an external quality assurance review of the agency's internal audit function. The agency plans to request a peer review of its internal audit function during FY 2014.

V. Internal Audit Plan for Fiscal Year 2014

FY 2014 Annual Audit Plan		Budgeted Hours
Assurance Services		1,250
• Ombudsman Program Audit	450	
• Customer Service Program Audit	360	
• Agency Complaint Processes for FY 2013 and 2014	200	
• Administration and Operations Division	230	
Reserved for Management Assistance		50
Other Internal Audit Activities		428
• Internal Audit Charter (FY 2013 updates as needed)	30	
• Continuing Education and Professional Development	40	
• FY 2013 Annual Reporting Activity	30	
• FY 2014 Internal Audit Plan	30	
• FY 2014 Internal Audit Risk Assessment and Audit Plan	20	
• Policy and Procedure Development	20	
• Other Administrative Projects	20	
• State Agency Internal Audit Forum Peer Reviews	180	
• Preparation of Peer Review Self-Assessment Documents	58	
Internal Auditor Paid Benefit Hours		352
• Annual Leave (12 months x 10 hours)	120	
• Sick Leave (12 months x 8 hours)	96	
• Paid State Holidays (17 x 8 hours)	136	
Total Project Hours		2,080

VI. External Audit Services Procured in Fiscal Year 2013

OIEC did not procure external audit services during FY 2013, nor were there any ongoing external audit services.

VII. Reporting Suspected Fraud and Abuse

In July 2009 OIEC posted on the home pages of its internet and intranet websites information on how to report suspected fraud, waste, or abuse involving State resources directly to the Texas State Auditor's Office, and included a link to the State Auditor's fraud reporting unit.

OIEC's Administration Procedure 09-02 "Procedure for Reporting Suspected Fraud, Waste or Abuse" was reviewed and updated in October 2011. All agency employees are reminded of the serious nature of fraud, waste, or abuse of State resources and instructed to report any suspected activities to the State Auditor's Office. This procedure, directed to all employees, includes the responsibilities of the Public Counsel regarding reporting and coordination requirements of Texas Government Code Section 321.022.