



TEXAS DEPARTMENT OF CRIMINAL JUSTICE

INTERNAL AUDIT DIVISION

ANNUAL REPORT

for

Fiscal Year 2015

Chris Cirrito, CIA, CGAP, CFE – Director
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Texas Department of Criminal Justice

Brad Livingston
Executive Director

October 30, 2015

TO: The Honorable Greg Abbott, Governor
Ms. Ursula Parks, Director, Legislative Budget Board
Mr. Ken Levine, Director, Sunset Advisory Commission
Mr. John Keel, CPA, State Auditor

Dear Ladies and Gentlemen:

A report on the activity of the Internal Audit Division of the Texas Department of Criminal Justice is attached. This report fulfills the requirements of the Texas Internal Auditing Act (Government Code, Chapter 2102) and provides the content prescribed by the *State Auditor's Office Fiscal Year 2015 Guidelines for Submitting and Posting the Internal Audit Annual Report and Periodic Internal Audit Reports*. Our audit work for fiscal year 2015 focused on reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets, and compliance with laws, regulations, contracts and policies. The information in this report is intended to assist state decision makers in their efforts to improve accountability and increase the effectiveness and efficiency of state government.

We appreciate the opportunity to participate in this program. For additional information concerning this report, please contact me at (936) 437-7100.

Sincerely,

A handwritten signature in blue ink, appearing to read "CCirrito".

Chris Cirrito, CIA, CGAP, CFE
Director, TDCJ Internal Audit Division

xc: Members, Texas Board of Criminal Justice
Brad Livingston, TDCJ Executive Director

Our mission is to provide public safety, promote positive change in offender behavior, reintegrate offenders into society, and assist victims of crime.

Internal Audit Division
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Purpose: To provide information on the assurance services, consulting services, and other activities of the internal audit function. In addition, the annual internal audit report assists oversight agencies in their planning and coordination efforts.

Statutory Requirement: In accordance with Chapter 2102 of the Government Code the internal auditor shall prepare an annual report and submit the report before November 1 of each year to the Governor, the Legislative Budget Board, the Sunset Advisory Commission, the State Auditor, the state agency's governing board, and the agency administrator. The State Auditor shall prescribe the form and content of the report, subject to the approval of the Legislative Audit Committee.

Texas Board of Criminal Justice Policy: In accordance with Board Policy 14.02, the Director of the Internal Audit Division shall annually report to the Board on the activities of the preceding year.

TABLE OF CONTENTS

I.	Compliance with Government Code Section 2102.015	1
II.	Internal Audit Plan for Fiscal Years 2013 through 2015	3
III.	Consulting Services and Non-audit Services Completed	9
IV.	External Quality Assurance Review	10
V.	Internal Audit Plan for Fiscal Year 2016	14
VI.	External Audit Services	28
VII.	Reporting Suspected Fraud and Abuse	29
VIII.	Texas Government Code Sections 2102.015 (d) and (e) Update	31

I. Compliance with Texas Government Code 2102.015 ([Return to Table of Contents](#))

Section 2102.015 of the Texas Government Code requires state agencies and higher education institutions to post certain information on their internet websites. The TDCJ Internal Audit Division will follow the procedures below to ensure compliance with posting requirements.

Texas Government Code Section 2102.015 (b) (1) requires posting of the agency's internal audit plan approved as provided by section 2102.008.

The Annual Internal Audit Plan is developed in the spring and summer of each fiscal year and presented to the Texas Board of Criminal Justice for approval at either the July or August board meeting. Upon approval, the plan will be posted to the agency's web site no later than September 1st of each year.

Texas Government Code Section 2102.015 (b) (2) requires posting of the agency's annual report required under section 2102.009.

The State Auditor's Office provides guidance to state agencies and higher education institutions for the preparation of the annual report in September of each year. Upon receipt of those instructions the TDCJ Internal Audit Division will begin compiling the information into the prescribed format. The annual report will be provided to the agency's executive administration and the Texas Board of Criminal Justice in mid-October. Upon approval from the board chairman the report will be distributed as required and posted to the agency's website.

Texas Government Code Sections 2102.015 (d) and (e) require entities to update the posting with:

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

To comply with this reporting requirement we have added Chapter VIII to this report. That Chapter is titled, *Texas Government Code Sections 2102.015 (d) and (e) Update*, and consists of a table, which includes every audit report issued in fiscal year 2015. The first two columns include the audit number and title. The next two columns satisfy the requirements of part (d); the first titled *Finding Statement*, contains the topic finding statements from the report. If the report is a follow up audit, we provided the general opinion related to implementation status.

The next column titled, *Recommendations*, present the recommendations the Internal Audit Division

provided for the finding. If the report is a follow up audit, we provided any modified recommendations we may have made to complete actions in the original report.

The final column titled, *Actions Taken*, satisfies the updating requirements for part (e). It presents management's self-reported status of implementation for the recommendation. It has been the Internal Audit Division's practice for many years to require management to provide updated status reports twice a year for all open Internal Audit recommendations.

To ensure a current status of the actions taken by management is reported in this table, the Internal Audit Division will continue to request from management a current status of open recommendations. The updates received in August of each year will be utilized in the management responses section of the table.

II. Internal Audit Plan for Fiscal Years 2013, 2014, and 2015

[\(Return to Table of Contents\)](#)

The table begins with an audit that was on the fiscal year 2013 plan, but was ongoing and a report had not been issued when the 2013 annual report was prepared. Additionally, it includes audits on the fiscal year 2014 plan which were ongoing when the 2014 annual report was issued. Audits on the 2013 plan begin with 13, audits on the 2014 plan begin with 14, and audits on the 2015 plan begin with 15.

Audit No.	Audit/Report Title	Status	Report Date	Project Budget ¹	Explanation for Deviation
1303	Correctional Institutions Division Food Service Inventory Management and Health and Safety Compliance	Complete	09/04/14	2 Staff/ 4 Months	N/A
1404	Information Technology Division Data Management – Offender Information Management System	Complete	12/15/14	3 Staff/ 4 Months	N/A
1405	Correctional Institutions Division Compliance with the Administrative Segregation Placement and Review Procedures Health Services Division Monitoring Health Evaluations of Offenders in Segregation	Complete	09/30/14	4 Staff/ 4 Months	N/A
1407	Parole Division Restitution Collection	Complete	12/15/14	3 Staff/ 4 Months	N/A

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
II. Internal Audit Plan for Fiscal Years 2013, 2014, and 2015 – Continued

Audit No.	Audit/Report Title	Status	Report Date	Project Budget ¹	Explanation for Deviation
1408	Community Justice Assistance Division Risk Assessment Process	Complete	09/26/14	4 Staff/ 3 Months	N/A
1409	Windham School District Recreation Programs	Complete	12/15/14	3 Staff/ 4 Months	N/A
1411	Correctional Institutions Division Correctional Training and Staff Development	Complete	02/23/15	3 Staff/ 3 Months	N/A
1412	Parole Division Release Certificates	Complete	02/23/15	3 Staff/ 3 Months	N/A
1413	Reentry and Integration Division Verification and ID Processing	Complete	05/08/15	2 Staff/ 3 Months	N/A
1414	Correctional Institutions Division Laundry Operations	Ongoing	N/A	3 Staff/ 3 Months	N/A
1415	Business and Finance Division Capital Assets	Complete	08/24/15	3 Staff/ 3 Months	N/A
1416	Information Technology Division Follow Ups to Telecommunications Network and Offender Telephone System	Complete	02/26/15	2 Staff/ 3 Months	N/A

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
II. Internal Audit Plan for Fiscal Years 2013, 2014, and 2015 – Continued

Audit No.	Audit/Report Title	Status	Report Date	Project Budget ¹	Explanation for Deviation
1417	Business and Finance Division Grant Administration	Complete	07/24/15	2 Staff/ 3 Months	N/A
1418	Human Resources Division Position Classification Review	Complete	02/23/15	3 Staff/ 3 Months	N/A
1419	Parole Division Intermediate Sanction Facility Placements	Complete	02/23/15	3 Staff/ 2 Months	N/A
1501	Private Facility Contract Monitoring/Oversight Division Halfway Houses	Complete	08/11/15	3 Staff/ 3 Months	N/A
1502	Administrative Review and Risk Management Monitoring and Standards	Complete	08/24/15	3 Staff/ 3 Months	N/A
1503	Business and Finance Division Agribusiness Land and Minerals Economist	Complete	06/01/15	3 Staff/ 3 Months	N/A
1504	Community Justice Assistance Division Diversion Program Grants	Complete	03/25/15	2 Staff/ 2 Months	N/A

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
II. Internal Audit Plan for Fiscal Years 2013, 2014, and 2015 – Continued

Audit No.	Audit/Report Title	Status	Report Date	Project Budget ¹	Explanation for Deviation
1505	Parole Division Absconder Identification	Ongoing	N/A	3 Staff/ 3 Months	N/A
1506	Correctional Institutions Division Release Functions	Ongoing	N/A	4 Staff/ 3 Months	N/A
1507	Rehabilitation Programs Division DNA Collection	Ongoing	N/A	2 Staff/ 3 Months	N/A
1508	Human Resources Equal Employment Opportunity	Ongoing	N/A	3 Staff/ 3 Months	N/A
1509	Office of the Inspector General Office of the Inspector General Training Academy	Complete	08/18/15	3 Staff/ 3 Months	N/A
1510	Information Technology Division Video Conferencing	Ongoing	N/A	2 Staff/ 3 Months	N/A
1511	Community Justice Assistance Division Fiscal Management – CSCD Insurance	Ongoing	N/A	3 Staff/ 3 Months	N/A

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
II. Internal Audit Plan for Fiscal Years 2013, 2014, and 2015 – Continued

Audit No.	Audit/Report Title	Status	Report Date	Project Budget ¹	Explanation for Deviation
1512	Parole Division Detainers	Ongoing	N/A	3 Staff/ 3 Months	N/A
1513	Correctional Institutions Division Security Threat Group	Ongoing	N/A	4 Staff/ 3 Months	N/A
1514	Business and Finance Division Payment Processing	Pending Assignment	N/A	3 Staff/ 3 Months	N/A
1515	Rehabilitation Programs Division Individual Treatment Plan	Ongoing	N/A	4 Staff/ 5 Months	N/A
1516	Community Justice Assistance Division Financial Management Reporting	Ongoing	N/A	2 Staff/ 3 Months	N/A
1517	Correctional Institutions Division Heat-Related Precautions	Deferred	N/A	4 Staff/ 3 Months	Deferred
1518	Parole Division Sex Offender Caseload	Pending Assignment	N/A	2 Staff/ 3 Months	N/A

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
II. Internal Audit Plan for Fiscal Years 2013, 2014, and 2015 – Continued

Audit No.	Audit/Report Title	Status	Report Date	Project Budget ¹	Explanation for Deviation
1519	Administrative Review and Risk Management Use of Force Review Follow Up	Pending Assignment	N/A	2 Staff/ 3 Months	N/A
1520	Board of Pardons and Paroles Case Summaries	Pending Assignment	N/A	3 Staff/ 3 Months	N/A

¹ Beginning in Fiscal Year 2013, we began budgeting resources to audits based on number of staff and calendar days rather than on audit hours.

III. Consulting Services and Nonaudit Services Completed

[\(Return to Table of Contents\)](#)

Report No.	Report Date	Name of Report	Objective(s)	Observations / Results and Recommendations
1421	09/17/14	Action Plan Tracking	At the request of the Executive Director we obtained action plans for Internal Audit Division and State Auditor's Office audits completed in fiscal years 2001 through 2015.	<p>We prepared, and provided to the Executive Director, a chart summarizing the status of the recommendations based on the information contained in the action plans.</p> <p>As requested, agency management provided up-to-date action plans for all audits completed through our August 31, 2014 cutoff date. Audits completed subsequent to August 31, 2014 will be included in our next update. The reported status of each recommendation contained on the action plans was based on management's assertions and has not been verified through follow-up audit activities.</p> <p>As this project was not an audit it was not performed in accordance with the International Standards for the Professional Practice of Internal Auditing or with Government Auditing Standards.</p>
1422-02	N/A	N/A	Provide consultative services as an independent reviewer of the implementation process of the Electronic Document Management System.	<p>We participated as a consultant to the agency's electronic document management system project. During the course of the project we assisted Information Technology Division management in identifying potential risks to project success by participating in project core team meetings, interviewing staff, observing system demonstrations, reviewing relevant documentation, and informally communicating our observations.</p> <p>The consultation was performed in accordance with the International Standards for the Professional Practice of Internal Auditing. In addition, we recognized the independence requirements of Government Auditing Standards. Accordingly, performing this consultation did not result in the performance of management functions, making management decisions, or assuming responsibilities placed on management. Providing the consultation will not have a significant or material effect on the subject matter of future audits.</p> <p>This consultation did not result in the issuance of a written report.</p>

IV. External Quality Assurance Review [\(Return to Table of Contents\)](#)

The Inquisitor Group was engaged to conduct an External Quality Assurance Review in FY 2013. The following is the Executive Summary from their report.

EXECUTIVE SUMMARY

In July 2013, Inquisitor Group conducted a Quality Assessment (QA) of the Internal Audit Division (IA Activity) of the Texas Department of Criminal Justice (TDCJ). The principal objectives of the QA were to assess the IA Activity's conformity to The IIA *International Standards for the Professional Practice of Internal Auditing (Standards)* and *Generally Accepted Government Auditing Standards (GAGAS)*, evaluate the IA Activity's effectiveness in carrying out its mission (as set forth in its charter and expressed in the expectations of executive management), and identify opportunities to enhance its management and work processes, as well as its value to the TDCJ's management.

The TDCJ operates state prisons, state jails, parole services, and provides funding and certain oversight of community supervision (previously known as adult probation). The Department has an annual budget of over \$3.1 billion. The TDCJ views its mission as providing public safety, promoting positive change in offender behavior, reintegrating offenders into society, and assisting victims of crime.

In accordance with Texas Board of Criminal Justice (TBCJ) Policy 14.02, the IA Activity is overseen by the Board of Criminal Justice. The Board of Criminal Justice Chairman has appointed an Audit and Review Committee which reviews issues related to the IA Activity, including the development and recommendation for full Board approval of the annual Audit Plan and the appointment, dismissal and evaluation of the Chief Audit Executive. (CAE)

The mission of the IA Activity is to assist Agency administrators by furnishing independent analyses, appraisals, and recommendations concerning the adequacy and effectiveness of the Agency's system of internal control procedures and the quality of performance in carrying out assigned responsibilities. The IA Activity is staffed with 21 employees including the Director, Deputy Director and two managers.

In preparation for the QA, the IA Activity completed an advanced preparation package and provided detailed documentation about the IA Activity. The on-site work included interviews with TDCJ executives and the TBCJ Audit and Review Committee Chair, the State Auditor and staff of the IA Activity. In addition, we reviewed the IA Activity's risk assessment and audit planning processes, audit tools, methodologies, engagement and staff management processes, and a representative sample of the IA Activity's working papers and audit reports.

We found many positive aspects about the IA Activity. TDCJ's senior management enthusiastically supports the CAE as evidenced by interviews. Also, based on our interviews, document reviews, and observations, we noted that the IA Activity uses a number of "Best Practices" in its audit operations and administration. These include:

- Adopting an appropriate Internal Audit charter based on state mandates, the *Standards* and GAGAS to ensure independence through organizational placement and access to information.
- Using and evaluating internal control processes based on the Committee of Sponsoring Organizations (COSO) model to perform a comprehensive evaluation of risk.
- Obtaining management and TBCJ input on the development of the Annual Audit Plan to ensure audits are performed that will be useful to management and the Board.
- Using a user-friendly report format with an Executive Summary to summarize audit findings and conclusions as well as provide management comments and action plans.
- Performing an ongoing risk assessment to identify emerging issues and providing timely audits for the benefit of the TDCJ.

OPINION AND RECOMMENDATIONS

In our opinion, the IA Activity “Generally Conforms” to both the International Standards for the Professional Practice of Internal Auditing and Generally Accepted Government Auditing Standards.

Conformity Rating

The IIA QA framework provides a system for rating conformity to the *International Standards for the Professional Practice of Internal Auditing (Standards)*, which consists of three categories: generally conforms, partially conforms, and does not conform.

The framework describes these categories as follows:

- “Generally conforms” means that an internal audit activity has a charter, policies, and processes that are judged to be in accordance with the *Standards*, but some opportunities for improvement may exist.
- “Partially conforms” means that practices were noted that are judged to deviate from the *Standards*, but they did not preclude the internal audit activity from performing its responsibilities in an acceptable manner.
- “Does not conform” means that deficiencies in practices were judged to be so significant as to seriously impair or preclude the internal audit activity from performing adequately in all or in significant areas of its responsibilities.

The *Standards* are divided into two primary subsets: *Attribute Standards* and *Performance Standards*. ***The QA team rates the TDCJ Internal Audit Division as “generally conforms” to***

the Attribute Standards and the Performance Standards. Because the GAGAS and IIA Standards are very similar, we used a crosswalk tool to ensure that the IA Activity also conforms to GAGAS. Thus, overall the IA Activity “generally conforms” to the International Standards for the Professional Practice of Internal Auditing and to GAGAS. In addition the team found that the IA Activity “generally conforms” to the IIA Code of Ethics.

Opportunities and innovative practice suggestions which we believe will enhance conformity with the Standards and GAGAS and further improve the effectiveness of the IA Activity are listed below.

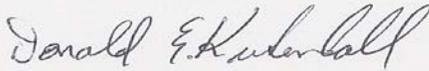
INNOVATIVE PRACTICE SUGGESTIONS FOR CONSIDERATION BY THE IA ACTIVITY

1. Develop a set of metrics for FY 2014 similar to the FY 2013 goals and monitor performance against goals. The CAE should periodically brief the Audit Committee on the goal achievement with an explanation for significant variances. (1320, 2060)
2. Augment IA Activity IT expertise through staff training as well as consultant support to ensure that greater IT knowledge, skills and competencies are applied during risk assessments, audit planning, audit field work. (1210,1230,2030)
3. Enhance IT audit skills by contracting with qualified vendors and co-sourcing IT audit projects. (2120, 2130)
4. Evaluate the Audit Management System software offerings in the market place and purchase the product that best meets the needs of the IA Activity. Implementing audit management software can provide significant improvements in document management, annual audit plan risk assessment, and audit management and scheduling functions, and improve overall audit services to the TDCJ. (Leading Practice)
5. Track audit hours to have an early warning system for when an audit may be getting off track. If automated audit workpaper software is implemented, this will be greatly facilitated.(Leading Practice)
6. Review and approve the Internal Audit Charter at least annually and revise it as necessary to ensure it remains accurate. Incorporate the recent revisions to the Standards and the GAGAS. (1000)
7. Update the IA Activity audit manual to assure that auditors have current standards and practice information to use during the conduct of audits. (2040)

The details concerning these issues begin on page 4 of this report.

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
IV. External Quality Assurance Review – Continued

Respectfully,

A rectangular box containing a handwritten signature in black ink. The signature is written in a cursive style and reads "Donald E. Kirkendall".

Donald E. Kirkendall, CIA
Project Manager

Team Members:

Kenneth Clarke, CGFM
David MacCabe, CIA, CGAP, CRMA
Elliott Flood, CIA, CPA, CFE

V. Internal Audit Plan for Fiscal Year 2016 [\(Return to Table of Contents\)](#)

The following table is our Fiscal Year 2016 Annual Audit Plan as presented to, and approved by, the Texas Board of Criminal Justice on August 7, 2015. Beginning in fiscal year 2013 we began budgeting resources to audits based on number of staff and calendar days rather than on audit hours.

All audits that in our opinion were ranked “high” risk are included on the plan.

The first step in the risk assessment process is the identification of the audit universe. We review and update this universe on an ongoing basis and are diligent to ensure areas of the agency that monitor and manage contracts are identified in our universe. In addition, our identification of the audit universe for information technology includes functions listed in Title 1, Texas Administrative Code, Chapter 202.

Our risk assessment methodology is based on the Committee of Sponsoring Organization’s (COSO) Internal Control Integrated Framework. Each of the five components of the COSO framework are evaluated and point values are assigned as follows. This framework is applicable to evaluate risks in all agency functions; therefore, the process described below is applied to contract management and information technology functions identified in the audit universe.

The **Control Environment** defines the inherent risks to not achieving objectives and the elements of the organization, which influence the control consciousness of personnel. A maximum of 40 points are assigned to this category based on the auditor’s judgment of significance and sensitivity, susceptibility, red flags, integrity and ethics, competence, board interactions, management philosophy and operating style, organizational structure, assignment of authority, and human resource policies and practices.

Risk assessment is the management process of establishing objectives, identifying and analyzing the relevant risks to achievement of the objectives, and determining how those risks should be managed and evaluated as conditions change. This area is assigned a maximum of 10 points based on the auditor’s judgment of how the activity’s objectives align with the agency’s, how well activity level objectives are linked to agency-wide goals, how well mechanisms work to identify risks from external and internal sources, and mechanisms that anticipate, identify, and react to events.

Control activities are the broad range of activities management creates to help ensure directives are carried out and ultimately objectives are achieved. As these activities arise from the risk assessment process, 15 points are also assigned to this area based on the auditor’s judgment of whether the activities are based in policies that are linked to objectives, whether control resources expended address the risks identified, and whether there are adequate controls over information systems. The judgments related to control activities are based on whether the design of the control system appears adequate, whether controls are operating as intended, and whether there is compliance with the

control activities.

For the discharge of management responsibilities, **information** must be identified and captured and **communication** must be timely and in a useable format. This critical function is assigned a maximum of 20 points based on the auditor's judgment of the mechanisms to design, implement, and monitor systems that identify, capture, process, and report timely, relevant, and accurate information. In addition, an assessment of communication processes that permeate the organization horizontally/vertically, internally/externally, and formally/informally.

To evaluate the effectiveness of internal control systems they must be **monitored**. The results of monitoring provide a basis for taking corrective actions to improve the effectiveness of the control system. Monitoring processes are assigned a maximum point value of 15 based on the auditor's judgment of on-going monitoring processes, separate evaluations, and how deficiencies are reported.

The sum of these five areas is a maximum of 100 points, which is divided into thirds to define the following risk levels: 0 to 33 points is low risk; 34 to 66 points is moderate risk; and, 67 to 100 points is high risk.

We also solicit input from management and add points for audit requests they make. We add 30 points for a request from the Texas Board of Criminal Justice or the Executive Director, 20 points for a request from a division director, and 10 points for a request from a departmental manager.

Note that we do not change risk ranges after receiving management requests; therefore, anything that in our opinion was high risk before a management request remains high risk. This ensures that no area we determine to be high risk is displaced because of a management request by an area that in our opinion has less risk.

In the table below, projects are listed in the sequence they are planned to be assigned.

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
V. Internal Audit Plan for Fiscal Year 2016 – Continued

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
1601	<p>Business and Finance Division</p> <p>Public Funds Investment Act</p> <p>Windham School District</p> <p>Public Funds Investment Act</p> <p>Staff: 1 Start Date: 09/15/15 End Date: 11/30/15</p>	<p>The Texas Department of Criminal Justice operates an account system of offenders’ money. This money is held in trust for the offender’s use while incarcerated. In total, these trust funds have historically averaged approximately \$19 million and the agency invests these funds in short-term, liquid investments.</p> <p>The Windham School District operates 12 months a year, but they are funded monthly over the nine month school year by the Texas Education Agency. The funds not immediately necessary for operations have historically averaged approximately \$10 million and are invested in short-term, secure, liquid investments.</p> <p>The State Auditor’s Office performs a legislatively mandated bi-annual, statewide audit of these investments and we anticipate they will request our assistance in the performance of that audit.</p> <p>Therefore, as in prior years, we have included this audit in our proposed plan.</p>	<p>1. To determine whether the Texas Department of Criminal Justice and the Windham School District are in compliance with the Public Funds Investment Act.</p>
1602	<p>Correctional Institutions Division</p> <p>Unit Supply</p> <p>Staff: 3 Start Date: 12/01/15 End Date: 03/15/16</p>	<p>Unit supply programs are responsible for purchasing, requisitioning, inventorying and managing the majority of items needed for daily unit operations. These items include: office supplies; furnishings; toilet paper; offender toiletry items; lawn equipment; armory supplies; chemicals; soaps; and, cleaning supplies.</p> <p>Unit Supply programs are a part of the Facility Based Budget Program and operate within an allocated budget.</p> <p>Management requested this audit.</p>	<p>1. To determine whether unit supply programs operate efficiently.</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
V. Internal Audit Plan for Fiscal Year 2016 – Continued

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
1603	<p>Manufacturing and Logistics Division</p> <p>Marketing</p> <p>Staff: 3 Start Date: 12/01/15 End Date: 03/15/16</p>	<p>Texas Correctional Industries (TCI) generates funding for operations through sales of prison made goods. Therefore, continuing operations is dependent upon their ability to develop markets and generate sales.</p> <p>Products and services offered include: garments and cloth products; janitorial and laundry supplies; name plates and easels; park equipment; stainless steel security fixtures and food service equipment; school bus renovation services; tire repairs and retreading; first aid and safety equipment; cardboard boxes and file boxes; dump truck beds and accessories; Texas state flags and red safety flags; dorm, lounge, and office furniture and furniture refinishing services; general printing services; draperies and hardware; traffic control signs; property identification stickers; and, inspection stickers and license plates.</p> <p>City, county, state and federal agencies, public schools, public and private institutions of higher education, public hospitals and political subdivisions are eligible to buy from TCI. Ineligible entities include, but are not limited to, non-profit corporations, private schools, private hospitals, private enterprise, and individuals.</p> <p>The Marketing Department bases operations on a biennium marketing plan and staff are responsible for advertising, conducting manufacturing facility tours, marketing research, and evaluating customer satisfaction.</p> <p>Management requested this audit.</p>	<p>1. To determine the effectiveness of the Marketing Department to generate sales.</p>
1604	<p>Facilities Division</p> <p>Employee Licensing and Certification</p>	<p>Persons operating certain types of facilities (water/wastewater plants, etc.) or equipment and those performing certain types of jobs (architects, engineers, etc.) are required to be licensed or certified based on various laws and regulations. In addition, offenders assigned to water/wastewater plants were</p>	<p>1. To determine whether the Facilities Division is effective in ensuring personnel acquire and maintain designated licenses and</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
V. Internal Audit Plan for Fiscal Year 2016 – Continued

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
	<p>Staff: 2 Start Date: 01/01/16 End Date: 03/31/16</p>	<p>required to be certified by the Texas Commission on Environmental Quality.</p> <p>The Facilities Division’s Program Administration Department, in coordination with other divisional departments, tracks positions that require licenses and certifications, and assists in registering personnel for training required to maintain those licenses and certifications.</p> <p>In April 2015, the Facilities Division reported 264 positions required licensure.</p> <p>Management requested this audit.</p>	<p>certifications required by various laws and regulations.</p>
1605	<p>Parole Division</p> <p>Interstate Compact</p> <p>Staff: 3 Start Date: 01/01/16 End Date: 03/31/16</p>	<p>Supervision of offenders on community supervision (probation) or parole who meet specific eligibility criteria could be transferred to another state under the Interstate Compact system. The process begins with the offender requesting a transfer through his supervising officer. The field officer transfers the request to the Interstate Compact Office who acts as the liaison with the receiving state.</p> <p>The Interstate Commission for Adult Offender Supervision oversees the requirements of the Compact between the states. It promulgates rules governing interstate movement of offenders and initiates interventions to address and correct noncompliance. The Texas Probation and Parole Interstate Compact was administered through the TDCJ Texas Interstate Compact Office. The office set standards, policies, and procedures to ensure compliance with the Compact for the transfer of supervision across state lines.</p> <p>Management requested we perform an audit of this office in fiscal year 2007 (0704) to evaluate the effectiveness of receiving, processing and tracking transfer requests, violation reports, and progress reports. We concluded the Texas Interstate Compact Office, in coordination with the Texas Interstate Compact Administrator/Commissioner should make improvements in their</p>	<p>1. To determine whether the processing and tracking of transfer requests, violation reports, and progress reports for interstate compact offenders is in compliance with Parole Division policies and procedures.</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
V. Internal Audit Plan for Fiscal Year 2016 – Continued

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
		<p>compliance with the Interstate Commission for Adult Offender Supervision rules to ensure the effectiveness of Interstate Compact activities. We performed a follow up audit of this office in fiscal year 2011 (1120) and concluded management made significant progress in implementing corrective action.</p> <p>During fiscal year 2014 over 10,100 probationers and parolees transferred from Texas to supervision in another state, while nearly 6,200 offenders transferred to supervision in Texas from another state.</p> <p>Management requested this audit.</p>	
1606	<p>Rehabilitation Programs Division</p> <p>Post-Secondary Education Programs</p> <p>Staff: 4 Start Date: 01/01/16 End Date: 04/30/16</p>	<p>The purpose of offering post-secondary education programs in the Texas Department of Criminal Justice (TDCJ) is to give offenders an opportunity for rehabilitation by developing their mental skills and providing marketable job training skills so they may re-enter society as successful, productive citizens. Career and technical training also addresses the TDCJ's need for qualified offender workers.</p> <p>Post-secondary programs are provided through contracts with colleges and universities serving the geographic areas where units are located. Offenders wishing to participate in these post-secondary programs must meet the criteria for admission of each college or university. The TDCJ has criteria that must also be met, and offenders must receive security and classification clearance before entry into the programs.</p> <p>Post-secondary education programs are under the day-to-day administration and supervision of the Rehabilitation Programs Division. During fiscal year 2014, there were 959 vocational program completions and 334 academic degrees awarded.</p> <p>Management requested this audit.</p>	<ol style="list-style-type: none"> 1. To determine compliance with agency policies related to offender placement, participation, and completion of post-secondary education programs. 2. To evaluate the effectiveness of Rehabilitation Programs Division in providing appropriate course offerings. 3. To evaluate the effectiveness of the billing monitoring process to ensure college and university billings are in conformance with contractual requirements.

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
V. Internal Audit Plan for Fiscal Year 2016 – Continued

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
1607	<p>Correctional Institutions Division</p> <p>Offender Off-Unit Transports</p> <p>Staff: 3 Start Date: 03/15/16 End Date: 06/15/16</p>	<p>At times, offenders require unscheduled transport off the unit. Generally, these transports include emergency transfers to local hospitals or Texas Department of Criminal Justice (TDCJ) medical/psychiatric facilities. Other transports include day trips to local medical facilities for outpatient appointments or procedures, as well as appointments at Hospital Galveston. In these circumstances, security staff must be deployed to accompany the offender to the destination, and, if admitted to a local hospital, remain at the facility to supervise the offender until returned to the unit.</p> <p>Several agency policies and procedures provide instruction for the safe, secure transport and custodial care of offenders receiving medical services in a public facility or TDCJ operated facilities. During April 2015, 2,343 officers were deployed to escort offenders off the unit and 4,235 officers were deployed to local hospitals where offenders were admitted.</p> <p>Management requested this audit.</p>	<p>1. To evaluate compliance with security functions defined by agency policies and procedures to facilitate the safe, secure transport and custodial care of offenders receiving medical services in a public facility or TDCJ operated facilities.</p>
1608	<p>Windham School District</p> <p>Information Security – Access Controls</p> <p>Staff: 3 Start Date: 03/15/16 End Date: 06/15/16</p>	<p>Information resources residing within the Windham School District (WSD) are strategic assets belonging to the people of Texas. Measures shall be taken to protect these assets against accidental or unauthorized access, disclosure, modification, or destruction, as well as assure the availability, integrity, utility, authenticity, and confidentiality of information.</p> <p>The Department of Information Resources defines user authentication as a means to control who has access to an Information Resource system. General strategies to control access to information resource systems include: owner authorization; password strength; password protection; and, application controls.</p> <p>Windham School District information is maintained on WSD systems, as well as on the Texas Department of Criminal Justice’s mainframe system. This</p>	<p>1. To determine the effectiveness of the Division of Information Technology to ensure individuals are placed in the appropriate security group, password controls are adhered to, and access rights are revoked upon termination or changed as appropriate upon transfer within the district.</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
V. Internal Audit Plan for Fiscal Year 2016 – Continued

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
		information can be accessed through terminals, personal computers (PCs), local area networks (LANs), and the TDCJ wide area network (WAN). Management requested this audit.	
1609	Administrative Review and Risk Management Division Offender Grievance Staff: 4 Start Date: 04/01/16 End Date: 07/31/16	<p>The mission of the Offender Grievance Program is to promote awareness and positive intervention between staff and offenders, to identify and resolve issues at the lowest possible level, and to facilitate the flow of information between the units and agency leaders.</p> <p>The current offender grievance process facilitates problem resolution at two distinct administrative levels. The first, commonly referred to as Step 1, allows the Warden to identify and resolve issues at the unit level. The second, known as Step 2, affords an offender the opportunity to appeal the Warden’s decision. Step 2 grievances are sent off the unit to the Central Grievance Office for coordination of review. Once the two-step process has been completed, the offender’s administrative remedies within TDCJ have been exhausted.</p> <p>Grievable issues include: TDCJ policies and procedures; actions of an employee or another offender; harassment and/or retaliation for use of the grievance procedure or access to courts; loss or damage of personal property by TDCJ; and, basic care issues within the purview of the TDCJ. Remedies which are available through Grievance Procedures include such things as: restitution of property; change of policy, procedures, rule or practice; corrections of records; and, other relief, as appropriate.</p> <p>During Fiscal Year 2014 offenders filed a combined 249,686 Step 1 and Step 2 grievances.</p> <p>Management requested this audit.</p>	<ol style="list-style-type: none"> 1. To evaluate compliance with Administrative Directive 03.82, <i>Management of Offender Grievances</i>. 2. To evaluate the effectiveness of the Offender Grievance Program to identify and resolve issues. 3. To evaluate the effectiveness of the Offender Grievance Program to facilitate the flow of information between the units and agency leaders.

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
V. Internal Audit Plan for Fiscal Year 2016 – Continued

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
1610	<p>Executive Administrative Services</p> <p>Records Retention</p> <p>Staff: 4 Start Date: 04/01/16 End Date: 07/31/16</p>	<p>The Texas State Library and Archives Commission promulgates rules for retention of state records and approves the agencies' records retention schedules. The issue of records retention is significant to the agency for a variety of reasons, such as ensuring records are available for open records requests or legal discovery. In addition, due to the size of the agency and the volume of records produced, storage of records has become more challenging across the agency.</p> <p>Management requested this audit.</p>	<ol style="list-style-type: none"> 1. To determine whether the agency's records retention schedule contains all applicable records in accordance with state requirements. 2. To determine departmental compliance with the agency's records retention schedule for the maintenance and disposal of records. 3. To determine the effectiveness of the agency's storage processes to safeguard records during the retention period.
1611	<p>Rehabilitation Programs Division</p> <p>Civil Commitment</p> <p>Staff: 2 Start Date: 05/01/16 End Date: 07/31/16</p>	<p>State law requires the identification of offenders who are sexually violent predators within the custody of the Texas Department of Criminal Justice. An offender with more than one conviction for certain sexually-related offenses qualify for civil commitment review. Once identified, these offenders shall be referred to an inter-agency Multidisciplinary Team, who decides whether the offender should be referred for an expert assessment.</p> <p>Executive Directive 07.22, <i>Identifying and Referring Sex Offenders Subject to Civil Commitment as Sexually Violent Predators</i>, establishes procedures to identify, assess, evaluate, and refer offenders. During fiscal year 2014, 4,392 offenders were screened for civil commitment, with 1,062 presented to the Multidisciplinary Team.</p> <p>Management requested this audit.</p>	<ol style="list-style-type: none"> 1. To determine whether Sex Offender Rehabilitation Programs (SORP) staff are compliant with Executive Directive 07.22.

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
V. Internal Audit Plan for Fiscal Year 2016 – Continued

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
1612	<p>Business and Finance Division</p> <p>Annual Financial Reporting</p> <p>Staff: 2 Start Date: 05/01/16 End Date: 07/31/16</p>	<p>The Texas Department of Criminal Justice is funded over \$3 billion annually. The agency prepares numerous financial statements and an annual financial report. To enhance accountability for these funds, the Appropriations Act and applicable state law define specific reporting requirements the prepared statements must meet.</p> <p>We last conducted an audit in this area in fiscal year 2004 (0404) and management has requested we conduct a cyclical audit; therefore, we have scheduled this audit.</p>	<p>1. To determine Business and Finance Division's compliance with applicable reporting requirements.</p>
1613	<p>Correctional Institutions Division</p> <p>Key Control Follow-up</p> <p>Staff: 3 Start Date: 06/15/16 End Date: 08/31/16</p>	<p>Secure correctional facilities require various locking mechanisms to ensure safety and security, and these mechanisms require multiple keys. American Correctional Association (ACA) standards require that written policy, procedure, and practice govern the control and use of keys in a correctional institution.</p> <p>Administrative Directive 03.18, <i>Control of Keys</i>, outlines agency practices for the control of keys in secure correctional facilities to ensure each unit provides strict accountability for all keys utilized in unit operations and for keys brought into the unit by staff.</p> <p>Management requested we perform an audit of Key Control in fiscal year 2013 (1308) to evaluate compliance with Administrative Directive 03.18. We concluded inventories generally identified the number of key rings and replacement keys and locks at units; however, improvements could be made to collect all data related to individual keys as required by policy. We also found improvements could be made with policy requirements for conducting key inventories, permanent key issuance, keys to exterior doors/gates, and key destruction.</p>	<p>1. To determine the status of corrective action taken in response to Audit 1308.</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
V. Internal Audit Plan for Fiscal Year 2016 – Continued

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
		Management requested this follow-up audit.	
1614	<p>Information Technology Division</p> <p>Software Licensing</p> <p>Staff: 2 Start Date: 06/15/16 End Date: 09/30/16</p>	<p>A software license is a contract between a software publisher and a user. The terms and conditions of license use may vary among software publishers. The most common rights provided to users are: the software may be backed up; the application may be installed on one personal computer (in some cases the software may be loaded on one person’s desktop and laptop); and, the software application may be deleted from one personal computer and installed on another. Whether they are called end-user license agreements, licenses, license agreements, they all spell out software “Rights” that are provided to the user, as well as those retained by the software publisher. The Texas Department Criminal Justice, through the Department of Information Resources, purchases volume licenses from vendors.</p> <p>Texas Department of Criminal Justice software is centrally managed by the Information Technology Division (ITD), who has appointed an Agency Software Manager to ensure and enforce agency enterprise software compliance. This includes acquisition, distribution, use, transfer, and recovery or deletion of software owned by the agency.</p> <p>Software is purchased using a mixture of centralized purchase through the ITD and decentralized purchase by divisions and departments. Division and departmental purchases are coordinated with the Agency Software Manager.</p> <p>Management requested this audit.</p>	<ol style="list-style-type: none"> 1. To determine the completeness and accuracy of software audit reports. 2. To determine compliance with software licensing requirements associated with installation, recovery and reuse, and disposal and destruction. 3. To evaluate the effectiveness of software management to ensure maximum utilization of software acquisitions.
1615	<p>Office of the Inspector General</p> <p>Evidence Control Follow-up</p>	<p>The Office of the Inspector General investigates allegations of misconduct or criminal violations on the part of TDCJ employees; criminal violations occurring on TDCJ property; and, allegations of excessive or unnecessary use of force. The identification, collection, and preservation of physical evidence are critical functions, as evidence serves as the basis for the appropriate resolution of investigative matters.</p>	<ol style="list-style-type: none"> 1. To determine the status of corrective action taken in response to Audit 1401.

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
V. Internal Audit Plan for Fiscal Year 2016 – Continued

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
	Staff: 2 Start Date: 08/01/16 End Date: 09/30/16	<p>To ensure the integrity of evidence, the Office of the Inspector General developed procedures designed to properly and lawfully preserve, package, record, account for, handle, and store all property and evidence recovered or turned in to the department.</p> <p>Management requested we perform an audit of Evidence Control in fiscal year 2014 (1401) to evaluate compliance with evidence control procedures. We concluded the Office of the Inspector General developed a policy framework to support appropriate evidence handling procedures. However, additional efforts were needed to improve compliance.</p> <p>Management requested this follow-up audit.</p>	
1616	<p>Reentry and Integration Division</p> <p>Verification and Identification Processing Follow-up</p> <p>Staff: 2 Start Date: 08/01/16 End Date: 09/30/16</p>	<p>Without a valid driver’s license or state identification card, offenders face significant reentry barriers, such as driving, applying for employment, or applying for state or federal benefits. To ensure offenders have the appropriate documents at the time of release to obtain a driver’s license or state identification card, the Reentry and Integration Division initiated several activities. These included applying for certified birth certificates from the Department of State Health Services for all eligible offenders scheduled for release within 12 months and applying for replacement social security cards from the Social Security Administration for offenders scheduled for release within six months.</p> <p>To further the likelihood offenders obtain a state identification card, the 81st Legislature amended Texas Government Code Section 501.015(a) to require the Texas Department of Criminal Justice (TDCJ) to provide an offender with a personal identification certificate (card) obtained under Section 501.0165. The TDCJ, Department of State Health Services, and Department of Public Safety continue to work on establishing an electronic process for issuing a state identification card for all eligible releasing or discharging offenders.</p>	<p>1. To determine the status of corrective action taken in response to Audit 1413.</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
V. Internal Audit Plan for Fiscal Year 2016 – Continued

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
		<p>We performed a fiscal year 2014 audit (1413) of this function and concluded if offender documents were processed and mailed to the releasing unit, they were delivered to the offender upon release. However, the processing of offender identification documents was not always completed within management’s expectation established for the audit.</p> <p>Management requested this follow-up audit.</p>	
1617	<p>Texas Department of Criminal Justice</p> <p>Internal Audit Division - Self Study</p> <p>Staff: 1 Start Date: 02/01/16 End Date: 03/31/16</p>	<p>This project will review TDCJ’s Internal Audit Division for compliance with the International Standards for the Professional Practice of Internal Auditing and with Government Auditing Standards in preparation for the Peer Review required by statute and Board Policy 14.02. An independent external consultant will conduct this Peer Review next summer.</p>	<p>1. To assist the Peer Review team in their planning activities related to evaluating the Internal Audit Division’s operations.</p>
1618	<p>Internal Audit Division</p> <p>Action Plan Tracking</p> <p>Staff: 1 Start Date: 09/01/15 End Date: 08/31/16</p>	<p>In response to a request from the executive director to report the status of action plans for recommendations made by the State Auditor’s Office and by the Internal Audit Division, we request management provide updated action plans on a semi-annual basis. Beginning in fiscal year 2004, in an effort to improve the effectiveness of our actions and expand the scope of our follow up activities, we included a project to actively collect updated action plans from management.</p> <p>We will continue our efforts to collect updated action plans from management.</p>	<p>1. To monitor the status of the implementation of action plans developed in response to audits conducted by the State Auditor’s Office and the Internal Audit Division.</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
V. Internal Audit Plan for Fiscal Year 2016 – Continued

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
1619	Walk Throughs Various	Conducting walk throughs of functional areas enables us to update our risk analysis on a regular basis and ensures attention to those areas of the agency that would not otherwise be reviewed.	1. To assist in the development of future audit plans by increasing our knowledge of unaudited areas of the agency.

VI. External Audit Services

[\(Return to Table of Contents\)](#)

The TDCJ, through delegated authority from the State Auditor's Office, employed the American Correctional Association to conduct audits of compliance with the Prison Rape Elimination Act. The Internal Audit Division did not use any External Audit Services during FY 2015.

VII. Reporting Suspected Fraud and Abuse [\(Return to Table of Contents\)](#)

Actions taken to implement the requirements of:

1. Fraud Reporting: Article IX, Section 7.09, the General Appropriations Act (84th Legislature, Conference Committee Report)

This section of the Appropriations Act states:

Sec. 7.09. Fraud Reporting. A state agency or institution of higher education appropriated funds by this Act, shall use appropriated funds to assist with the detection and reporting of fraud involving state funds, as follows:

(a) By providing information on the home page of the entity's website on how to report suspected fraud waste and abuse involving state resources directly to the State Auditor's Office. This shall include, at a minimum, the State Auditor's fraud hotline information and a link to the State Auditor's website for fraud reporting; and

○ **To implement (a) of Section 7.09, TDCJ has:**

- Included a link on the TDCJ website homepage to report Waste, Fraud, and Abuse to the State Auditor's Office website for fraud reporting.
- Included in each edition of the agency's monthly newsletter, *Criminal Justice Connections*, instructions to report waste, fraud, and abuse.

These communications provide information on reporting of waste, fraud, and abuse and provide the toll free phone numbers of the TDCJ Office of the Inspector General, Crime Stoppers and the State Auditor's Office hotline.

(b) By including in the agency or institution's policies information on how to report suspected fraud involving state funds to the state auditor.

○ **To implement (b) of Section 7.09, TDCJ has:**

- Included in Executive Directive 02.02 - *Fraud Prevention, Detection, and Reporting*, a section on Reporting Suspected Fraud that includes reference to the State Auditor's Office and the SAO Hotline. As required by ED-02.02 a copy of the policy is to be provided to every newly hired employee during their orientation.

2. Texas Government Code, Section 321.022

This section of the Texas Government Code states:

COORDINATION OF INVESTIGATIONS

- (a) If the administrative head of a department or entity that is subject to audit by the state auditor has reasonable cause to believe that money received from the state by the department or entity or by a client or contractor of the department or entity may have been lost, misappropriated, or misused, or that other fraudulent or unlawful conduct has occurred in relation to the operation of the department or entity, the administrative head shall report the reason and basis for the belief to the state auditor. The state auditor may investigate the report or may monitor any investigation conducted by the department or entity.
 - (b) The state auditor, in consultation with state agencies and institutions, shall prescribe the form, content, and timing of a report required by this section.
 - (c) All records of a communication by or to the state auditor relating to a report to the state auditor under Subsection (a) are audit working papers of the state auditor.
- o **To implement this statute TDCJ has:**
 - Developed Executive Directive 14.03, *Coordination of Investigations with the State Auditor*, which includes reference to the reporting of incidents involving the loss, misappropriation, misuse, or other fraudulent or unlawful conduct that have occurred in relation to the operation of the TDCJ to the State Auditor's Office. To fulfill these reporting requirements the TDCJ Office of the Inspector General coordinates with the State Auditor's Office to provide routine updates of potential fraud.

VIII. Texas Government Code Sections 2102.015 (d) and (e) Update

[\(Return to Table of Contents\)](#)

Texas Government Code Sections 2102.015 (d) and (e) require entities to update the posting with:

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

The table below provides the required update for audit reports issued between September 1, 2014 and August 31, 2015. The reported status of actions taken is as of August 31, 2015 for audit reports issued prior to August 3, 2015. The status of actions taken for audit reports issued after that date reflect the implementation target date set by management in response to the recommendation.

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
1303 TableofContents	09/04/14	Food Service Inventory Management and Health and Safety Compliance	<p>Finding 1: Unit level records were not sufficiently reliable to determine whether unit food service inventories were efficiently managed to meet agency feeding objectives.</p> <p>Recommendation 1:</p> <p>A. Management should continue to evaluate strategies to retain food service managers and to ensure all activities required to be performed by unit kitchens are completed when vacant positions exist.</p> <p>B. Food Service management should develop a job specific training course for offender workers tasked with maintaining inventory records.</p> <p>C. The <i>Food Service Procedures Manual</i> should be revised to completely address inventory record keeping within a single procedure statement; this should include a review of processing procedures, including clear direction on the use of butcher’s pull sheets, and the necessity of documents.</p>	<p>Fully Implemented: 09/04/14</p> <p>Management continued evaluating strategies for retention and enhanced training for food service managers.</p> <p>Fully Implemented: 09/04/14</p> <p>Food service management updated offender training curriculum.</p> <p>Fully Implemented: 09/04/14</p> <p>The <i>Food Service Procedures Manual</i> was revised to include all guidelines regarding Inventory Accountability.</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>D. Food Service management should evaluate the Food Service Manager IV training and ensure sufficient instruction related to inventory record keeping and accountability is included.</p> <p>E. Food Service management should develop a training course specific to Food Service Manager II's and III's and include a component for continuing reinforcement.</p> <p>F. Food Service management should conduct analysis of Division level Operational Reviews to identify findings common to multiple units and revise methodology to identify and address the cause of issues related to the reliability of inventory records.</p>	<p>Fully Implemented: 09/04/14</p> <p>Management developed a training curriculum with specific instructions for unit Food Service Managers IV related to inventory record keeping and accountability.</p> <p>Fully Implemented: 09/01/14</p> <p>Food Service training curriculum was revised and the number of hours of training at the Sergeant, Laundry and Food Service Managers Academy was increased. Additionally, management implemented annual on-the-job training (OJT) for all Food Service Managers II and III.</p> <p>Fully Implemented: 09/01/14</p> <p>Management began tracking the findings from</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>G. Food Service management should develop and monitor performance expectations for feeding costs. This should include consideration of the number of offenders and staff attending meals.</p>	<p>Division Level Operational Review Audits to identify findings common to multiple units.</p> <p>Fully Implemented: 09/18/14</p> <p>The Correctional Institutions Division developed a Cook’s Worksheet to ensure Food Service Managers IV are able to accurately track the number of offenders and staff attending meals. The Division Level Operational Review Audit check list was updated. Additionally, Correctional Institutions Division/Food Service management coordinated with the Business and Finance Division to review the feasibility of developing and monitoring performance expectations for feeding costs to include the number of offenders and staff attending meals.</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>Finding 2: Unit kitchens were not always compliant with the Food Service’s procedures related to health and safety.</p> <p>Recommendation 2:</p> <p>A. In development of the training courses in Recommendation 1E, Food Service management should ensure health and safety requirements are included in the curriculum.</p> <p>B. Food Service management should include health and safety findings in the Division Level Operational Review analysis made in Recommendation 1F.</p>	<p>Fully Implemented: 09/01/14</p> <p>Health and food safety requirements were added to training at the Sergeant Academy and Food Service Managers IV trainings.</p> <p>Fully Implemented: 06/01/14</p> <p>Health and safety findings in the division level Operational Review were included in analysis conducted in response Recommendation 1F.</p>
1404 TableofContents	12/15/14	Data Management – Offender Information Management System	<p>Finding: The data parole officers reported in the Offender Information Management System Contacts section of the offender record was generally reliable. However, we found <i>DataGap Reports</i> and monitoring reports produced through the system were not always reliable.</p>	

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>Recommendations:</p> <ol style="list-style-type: none"> <li data-bbox="810 500 1640 618">1. The Parole Division management should work with the Information Technology Division to revise the design of the OIMS Contacts section to include options to properly record and provide capability to track Management Contacts. <li data-bbox="810 967 1640 1057">2. Parole Division Management should periodically review Management Contacts to ensure they are performed in accordance with Parole Division Policy and Operating Procedure 1.3.3, <i>Quality Review</i>. 	<p>In Progress: Target Date: Pending</p> <p>The Parole Division worked with the Information Technology Division to analyze the level of effort required to revise the OIMS Contacts section and submitted a request for service. This item is pending prioritization.</p> <p>Substantially Implemented: Target Date: Pending</p> <p>Parole Divisions Policy and Operating Procedure 1.3.13 <i>Oversight Responsibilities of Regional Management for Parole Officer Duties</i>, was revised to include periodic review of management contacts. Completion of this action is pending</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>3. Parole Division Management should present the user and system design issues identified in this report to the existing OIMS working group. The issues should be evaluated to identify training needs or to prioritize the issue for remediation.</p> <p>4. The Parole Division should coordinate with the Information Technology Division to ensure <i>DataGap Reports</i> and monitoring reports are appropriately designed to meet operational needs and are available through the OIMS. This may include consideration by the OIMS working group to identify additional reports.</p>	<p>development of an automated report.</p> <p>Fully implemented: 01/15/15</p> <p>Issues were evaluated to identify training needs or prioritize for remediation.</p> <p>In progress: Target Date: Pending</p> <p>The OIMS working group was tasked with evaluating reports and providing recommendations to Parole Division management of the need for new reports or to delete or revise existing reports. A request for services to modify <i>DataGap Reports</i> and monitoring reports is pending prioritization.</p>
<p>1405 TableofContents</p>	<p>09/30/14</p>	<p>Administrative Segregation Placement and Review Procedures and Monitoring Health Evaluations of</p>	<p>Finding 1: Documentation, in general, provided evidence offenders were reviewed on an ongoing basis and release procedures were followed. However, improvements can be made in completing reviews in accordance with the established schedule, providing offenders with release criteria, and completing documentation.</p>	

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
		Offenders in Segregation	<p>Recommendation 1:</p> <p>A. Correctional Institutions Division management should review the <i>Administrative Segregation Plan</i> and make revisions, as necessary, to ensure appropriate guidance is provided and specific requirements are clearly defined.</p> <p>B. Correctional Institutions Division management should review Administrative Segregation forms and make revisions, as appropriate, to ensure compliance with all placement, review, and release requirements contained in the <i>Administrative Segregation Plan</i>.</p>	<p>In Progress: Target Date: 11/01/15</p> <p>Correctional Institutions Division management agreed to revise the <i>Administrative Segregation Plan</i>, as necessary, to ensure appropriate guidance and requirements are provided and clearly defined.</p> <p>In Progress: Target Date: 11/01/15</p> <p>Correctional Institutions Division management agreed to review the Administrative Segregation forms, as appropriate, to ensure compliance with all placement, review, and release requirements contained in the TDCJ <i>Administrative Segregation Plan</i>.</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>C. Correctional Institutions Division management should periodically re-communicate the importance of completing documentation related to Administrative Segregation placement and review requirements. This may include designating an individual to be accountable for completeness of documentation.</p> <p>D. Correctional Institutions Division managements should identify or develop an appropriate tracking system for Administrative Segregation Committee and State Classification Committee reviews.</p> <p>E. Correctional Institutions Division management should revise the State Classification Committee Hearing Schedule to ensure 60-day reviews can be performed in a timely manner or utilize telephonic or video conferences to perform 60-day reviews and reviews for offenders that were absent from the unit on the date of the last scheduled visit.</p> <p>F. Correctional Institutions Division management should revise the Operational Review checklists and methodologies to ensure the <i>Administrative Segregation Plan</i> and associated procedures are</p>	<p>Fully implemented: 07/31/15</p> <p>Correctional Institutions Division management re-communicated the importance of completing documentation related to Administrative Segregation placement and review requirements and updated existing training curriculum.</p> <p>In Progress: Target Date: 02/01/16</p> <p>Management submitted a data services request to enhance existing systems.</p> <p>In Progress: Target Date: 02/01/16</p> <p>Management submitted a data services request to enhance existing systems.</p> <p>In Progress: Target Date: 03/01/16</p> <p>The Operational Review</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			appropriately referenced and specific forms and screens to be reviewed are defined and consider including critical requirements not presently included.	checklists and methodologies are being revised.
			<p>Finding 2: The Health Services Division’s monitoring activities provided reasonable assurance that offenders in Administrative Segregation received required medical, mental health, and dental services.</p> <p>Recommendation 2:</p> <p>A. Health Services Division management should consider a monitoring activity to determine whether offenders confined in Administrative Segregation receiving mental health treatment are assessed for mental status and appearance at least once a week.</p> <p>B. Health Services Division management should continue working with contract health care providers to resolve the difference of opinion regarding the documentation of ongoing mental health assessments for offenders in Administrative Segregation and define documentation requirements within policy.</p>	<p>Fully Implemented: 7/16/14</p> <p>Management considered this recommendation and elected to rely on alternative mechanisms to monitor the activity.</p> <p>Fully Implemented: 7/31/14</p> <p>Correctional Managed Health Care Joint Medical Directors met and agreed upon documentation requirements without revising policy.</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
1407 TableofContents	12/15/14	Parole Division - Restitution Budgets and Collection Strategies	<p>Finding 1: Financial budgets for the payment of restitution by offenders on supervision varied. In addition, the financial budgets were not always current or completed in a timely manner.</p> <p>Recommendation 1:</p> <p>A. Parole Division management should establish a percentage to apply to the offender’s income (net of taxes) to determine the restitution payment and eliminate the Monthly Restitution Payment Schedule (PSV-71). This percentage may increase as income increases.</p> <p>B. Parole Division management should revise Parole Division Policy and Operating Procedure 3.1.6, <i>Fees/Restitution/Post-Secondary Education Reimbursement/Collection</i>, and the Parole Officer Training Academy curriculum to reflect the new procedures.</p>	<p>Substantially Implemented: Target Date: 08/31/15</p> <p>The Parole Division developed a net income percentage to determine restitution payments and revised applicable operating procedures. The division planned to train staff via videoconference.</p> <p>Substantially Implemented: Target Date: 09/04/15</p> <p>Parole Division Policy and Operating Procedure 3.1.6 has been revised. Revisions to training curriculum were scheduled by the target date.</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>Finding 2: Offenders in our sample were generally making restitution payments; however, parole officer’s activities to advise the offender of restitution requirements and to sanction offenders for non-payment varied.</p> <p>Recommendation 2:</p> <p>A. Management should revise the <i>TDCJ Advisement Form</i> to include all elements required by policy and reiterate to staff to complete the designated form. This may include a consideration of an automated solution.</p> <p>B. Parole Division management should reemphasize the importance of performing tasks related to enforcing strategies to collect restitution payments.</p>	<p>Substantially Implemented: Target Date: 08/31/15</p> <p>The <i>TDCJ Advisement Form</i> has been revised and incorporated into training curriculum. The division planned to train staff via videoconference.</p> <p>Fully Implemented: Target Date: 08/31/15</p> <p>Parole Division management has identified strategies for collecting restitution and incorporated them into training curriculum. The division planned to train staff via videoconference.</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
1408 TableofContents	09/26/14	Community Justice Assistance Division, Field Services Section's – Risk Analysis Process	<p>Finding: The Community Justice Assistance Division's risk analysis included relevant risk factors; however, the point system did not support management's priorities. As a result, management sometimes exercised professional judgment to override the results of the risk analysis in scheduling reviews of Community Supervision Corrections Department.</p> <p>Recommendation:</p> <p>Community Justice Assistance Division management should continue their process of defining relevant risk factors and the scoring of those factors, this may include:</p> <ul style="list-style-type: none"> • Analyzing the risk factors that necessitated the override of the risk analysis results to determine whether those factors are appropriately considered in the analysis. • Adjusting as appropriate the value of the scores associated with each risk factor and attribute to ensure that value is aligned with management's priorities to include, if applicable, identifying attributes as an individual factor. • Continuing to document management's professional judgment when it is necessary to override the ranking of a risk score. 	<p>Fully Implemented: 11/04/15</p> <p>Management continued to define/analyze relevant risk factors for its risk analysis, to include documentation of management override justification.</p>
1409 TableofContents	12/15/14	Windham School District Recreation Programs	<p>Finding 1: Management's expectations for dayrooms and television viewing were achieved. However, recreation yards and gymnasiums did not always contain all the required equipment and recreational supplies.</p> <p>Recommendation 1:</p>	

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>A. Administrative Directive 07.33 should be revised to provide guidance on the restriction of recreational equipment and the coordination of changes or substitutions to minimum activity requirements through the Recreation Program Administrator.</p> <p>B. Windham School District management should coordinate with the Correctional Institutions Division to ensure wardens afford correctional officers dedicated as Recreation Oversight Officers with sufficient time to ensure recreation equipment and supplies are maintained and evaluate recurring equipment deviations to identify alternatives.</p> <p>C. Recreation Program management should develop a schedule for Regional Recreation Coordinators to visit each unit regularly, provide coordinators with guidance on tasks to perform during their visits, and monitor the schedule to ensure units are visited.</p> <p>D. Windham School District management should revise Recreation Program guidance documents to include:</p>	<p>Substantially Implemented: Target Date: Pending</p> <p>Administrative Directive 07.33 was revised and was pending internal staffing.</p> <p>Substantially Implemented: Target Date: Pending</p> <p>Modifications to existing procedures have been made and are pending approval of Administrative Directive 07.33</p> <p>Fully Implemented: 01/01/15</p> <p>A database was developed to track unit visits and a checklist was developed to document specific tasks performed during a unit visit.</p> <p>Fully Implemented: 01/15/15</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<ul style="list-style-type: none"> • Operating Procedures 13.00 to include instructions related to observation/replenishment of recreational supplies. • Operating Procedures 13.00 and the Recreation Oversight Officer Training booklet to address recreation equipment afforded to offenders in Administrative Segregation. • Operating Procedures 13.00 to clearly define the responsibilities of Regional Recreation Coordinators. <p>E. Windham School District management should revise the Operational Review Checklist to ensure it addresses equipment requirements for Administrative Segregation recreation yards.</p>	<p>Operating procedures were modified to provide guidance, training documentation was modified to address changes in equipment for Administrative Segregation offenders, and Regional Recreation Coordinators will work with unit recreation officers to outline equipment observation/replenishment and equipment requirements for Administrative Segregation Offenders.</p> <p>Fully Implemented: 01/15/15</p> <p>The Operational Review Checklist was revised to address equipment requirements for Administrative Segregation.</p>
			<p>Finding 2: Unit level recreation documentation was not always compliant with the <i>Recreation Program Procedures Manual</i>.</p>	

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>However, craft shop related documentation was generally compliant with applicable policies.</p> <p>Recommendation 2:</p> <p>A. Windham School District management should coordinate with Correctional Institutions Division management to evaluate the necessity for all recreation program documentation requirements contained in Operating Procedures 13.00. As appropriate, management should take steps to ensure compliance with the requirements.</p> <p>B. Windham School District management should ensure appropriate monitoring efforts are implemented or updated to adequately determine compliance.</p>	<p>Fully Implemented: 01/17/15</p> <p>Windham School District management coordinated with the Correctional Institutions Division to evaluate recreation documentation requirements. Additionally, recreation documentation requirements were incorporated into training for Unit Recreation Oversight Officers.</p> <p>Fully Implemented: 12/17/14</p> <p>A database was developed to track unit visits and a checklist was developed to document specific tasks performed during a unit visit.</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
1411 TableofContents	02/23/15	Correctional Institutions Division – Correctional Training and Staff Development	<p>Finding: The Correctional Training and Staff Development Department was efficient in providing correctional training courses to agency employees. However, improvements could be made to ensure field training officers, mentors, and non-uniformed clerical and support staff receive the required training courses within the required timeframes.</p> <p>Recommendations:</p> <p>A. Correctional Institutions Division management should coordinate with the Human Resources Division to delineate responsibilities for scheduling training and develop a method to track completion of training, to include field training officer and mentor training, in-service for rehired officers, correctional awareness orientation, and staff survivor.</p> <p>B. Upon completion of Recommendation A, Correctional Institutions and Human Resources Division managements should revise their respective</p>	<p>Substantially Implemented: Target Date: Pending</p> <p>The Correctional Institutions Division coordinated with the Human Resources Division to delineate responsibilities for scheduling training and develop a method to track completion of training and the applicable operating procedures/training manuals were revised. Full implementation was pending approval of modifications to agency policy.</p> <p>Substantially Implemented:</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>policies and operating procedures to reflect the responsibilities and tracking methods.</p> <p>C. Correctional Training and Staff Development Department management should ensure that the correctional awareness course is scheduled frequently enough to ensure compliance with Personnel Directive 97.</p>	<p>Target Date: Pending</p> <p>Applicable policies and operating procedures have been revised. Full implementation was pending approval of modifications to agency policy.</p> <p>Fully Implemented: 02/01/15</p> <p>The correctional awareness courses are now offered monthly.</p>
<p>1412 TableofContents</p>	<p>02/23/15</p>	<p>Parole Division – Release Certificates</p>	<p>Finding: The process to prepare parole documents for offenders released from the TDCJ’s facilities was efficient.</p> <p>Recommendation:</p> <p>None</p>	
<p>1413 TableofContents</p>	<p>05/08/15</p>	<p>Reentry and Integration Division - Verification and Identification Processing</p>	<p>Finding: Identification documents for offenders in our samples were not always processed within management’s expectations resulting in documents not being delivered to offenders upon release.</p> <p>Recommendations:</p>	

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>A. Reentry and Integration Division management should reevaluate the document processing performance measure established for this audit.</p> <p>B. Reentry and Integration Division management should revise Program Guidelines and Processes 02.03, <i>Regional Release</i>, to reflect desired mail out expectations, direction on coordination of the delivery of documents to offenders at state jails, and guidance related to identification documents collected during intake.</p> <p>C. Reentry and Integration Division management should continue working with the Information Technology Division on enhancements to the OI00 <i>Inquire Offender Identification</i> screen to improve tracking offender identification documents. Management should consider adding date information related to the filing of documents when not immediately mailed.</p> <p>D. Reentry and Integration Division management should implement a monitoring mechanism to periodically evaluate the processing of offender identification documents from receipt through mail out of the documents.</p>	<p>Fully Implemented: 03/06/15</p> <p>Management established document processing timeframes, revised written procedures to reflect the new document processing time frames, and trained staff on revised procedures.</p> <p>Fully Implemented: 05/15/15</p> <p>Procedures were revised and staff were trained on the revised procedures.</p> <p>Fully Implemented: 05/15/15</p> <p>A data services request has been submitted to enhance the OI00 <i>Inquire Offender Identification</i> screen.</p> <p>Fully Implemented: 05/15/15</p> <p>Monitoring procedures have been incorporated</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
1415 TableofContents	08/24/15	Business and Finance - Capital Assets	<p>Finding 1: Capital asset reporting in the State Property Accounting System was generally reliable. However, improvements can be made in the timeliness of the creation and deletion of associated records.</p> <p>Recommendation 1:</p> <p>A. Accounting and Business Services management Should establish timeliness expectations for creating and Deleting records in the Lonestars Fixed Asset Subsystem and the State Property Accounting System.</p> <p>B. Accounting and Business Services management Should re-communicate the importance of timely submission by units and departments of asset information and documentation to facilitate asset record creation and deletion.</p>	into the Internal Review. <p>Fully Implemented: 07/01/15</p> <p>Accounting and Business Services management established expected timeframes for the creation and deletion of records in the Lonestars Fixed Asset Subsystem and the State Property Accounting System.</p> <p>Fully Implemented: 07/14/15</p> <p>An email was distributed to agency staff re-communicating the importance of timely submission of asset information and documentation. In</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>C. Accounting and Business Services management should ensure all of the requirements defined in the <i>SPA Process User's Guide</i> are followed in the disposal of assets.</p> <p>D. Accounting and Business Services management should implement periodic monitoring procedures of the accuracy and timeliness of asset record creation and deletion.</p>	<p>addition, Property Accounting staff will continue to provide property accounting training to unit and field staff.</p> <p>Fully Implemented: 07/06/15</p> <p>An email was distributed to Property Accounting staff re-communicating the importance of accurately coding the disposal of assets in the State Property Accounting System.</p> <p>Fully Implemented: 07/06/15</p> <p>Effective April 1, 2015, the Property Accounting Section team leader was incorporated in the process of reconciling Note 2 (capital asset) transactions on a monthly basis.</p> <p>Accounting and Business Services management also</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
				implemented peer-assessment reviews in the Property Accounting Section to utilize reports and reconciliations already being completed to perform analyses on the accuracy and timeliness of asset record creation and deletion.
			<p>Finding 2: The agency was generally compliant with the State Property Accounting System requirements related to reporting and tagging capital assets, completing annual inventories, and reconciling the agency’s internal system to reported information. However, the reporting of missing and stolen property to the Texas Comptroller of Public Accounts and the Office of the Attorney General and the retention of acquisition source documentation was not in accordance with all requirements.</p> <p>Recommendation 2:</p> <p>A. In conjunction with Recommendation 1A, Accounting and Business Services management should establish and clearly communicate in the Property Accounting Section Task Procedures expectations for notifying the Comptroller’s office and the Office of the Attorney General of missing and stolen property.</p>	<p>In Progress: Target Date: 08/31/15</p> <p>Accounting and Business Services management will establish expected timeframes for completion and submission of documentation from</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>B. Accounting and Business Services management should periodically monitor the timeliness of the completion and submission of <i>Missing, Damaged, or Stolen Property Report</i> forms by locations and the notification of the Comptroller’s office and Office of the Attorney General. The results of this monitoring should be shared with applicable locations and staff.</p> <p>C. Accounting and Business Services management should consider revising the Operational Review checklist to include review of <i>Missing, Damaged, or Stolen Property Report</i> forms, as applicable to the unit being reviewed.</p>	<p>departments and notification by Property Accounting of missing and stolen property to the Comptroller’s office and the Office of the Attorney General.</p> <p>Fully Implemented: 07/06/15</p> <p>Management implemented peer-assessment reviews in Property Accounting Section to monitor timeliness of submission and completion of <i>Missing, Damaged, or Stolen Property Report</i> forms.</p> <p>Fully Implemented: 07/06/15</p> <p>Revised procedures will be performed by Compliance and Review staff during Division Level Operational Review Financial Audits.</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>D. Accounting and Business Services management should evaluate available mediums (e.g., paper, system processing files, imaged records) in which to maintain fixed asset records and establish guidance for the types of mediums to be used for the various acquisition methods (e.g., purchase, transfer, donation, etc.). This may include a review and revision, as necessary, of the agency’s records retention schedule to ensure records are maintained in accordance with state requirements.</p>	<p>Fully Implemented: 07/24/15</p> <p>For assets purchased since fiscal year 1997, automated source documentation is maintained in the Advanced Purchasing Inventory Control System (AdPICS), which provides a reflection of the purchase order, receiving document and invoice, detailing the asset purchased and value. This source documentation will be maintained on all future purchases of capital assets.</p>
<p>1416 TableofContents</p>	<p>02/26/15</p>	<p>Information Technology Division – Follow ups to Telecommunications Network and Offender Telephone System</p>	<p>Follow Up (Audit 1107)</p> <p>During our follow-up, we noted significant progress was made in implementing recommendations from the previous audit. Of the four recommendations from the original audit, two were fully implemented and two were substantially implemented.</p> <p>Recommendations:</p>	

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>1A. Information Technology Division should include performance expectations in written operating procedures.</p> <p>1B. Information Technology Division management should expand written operating procedures to include specific direction for the use of the automated application.</p>	<p>Fully Implemented: 02/01/15</p> <p>Performance expectations were incorporated into operating procedures.</p> <p>Fully Implemented: 02/01/15</p> <p>Operating procedures were expanded to include directions for use of the automated application.</p>
			<p>Follow Up (Audit 1210)</p> <p>This follow-up audit revealed management made progress in implementing recommendations from the previous audit. Of the three recommendations from the original audit, one was fully implemented, one was substantially implemented, and one was incomplete/ongoing.</p> <p>Recommendations:</p> <p>2B. Management should periodically assess the Monthly Service Ticket Report to determine whether there is reasonable assurance that the root causes of problems are reported accurately.</p>	<p>Fully Implemented: 02/19/15</p> <p>A process has been implemented to evaluate root causes of Priority 1</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>2C. Information Technology Division management should continue to evaluate the monitoring activities in place to ensure they are sufficient to provide reasonable assurance of vendor compliance with contractual requirements. In addition, management should update standard operating procedures to reflect current monitoring activities.</p>	<p>tickets.</p> <p>Fully Implemented: 04/15/15</p> <p>Monitoring is being conducted through sampling. Operating procedures have been updated to reflect current monitoring methodologies.</p>
<p>1417 TableofContents</p>	<p>07/24/15</p>	<p>Grant Administration</p>	<p>Finding 1: Agency accounting controls were generally adequate to ensure grant expenditures are identified and accurately reported.</p> <p>Recommendation 1:</p> <p>Accounting and Business Services management should ensure controls for accuracy are complied with for all grants.</p>	<p>Fully Implemented: 06/23/15</p> <p>Procedural changes were made in March 2014, prior to the audit, but subsequent to the audit period. Changes included revising reconciling spreadsheets and adding additional peer management review steps to the approval process to further ensure compliance</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>Finding 2: Grant performance data reports were complete and timely; however, there were discrepancies with supporting documentation.</p> <p>Recommendations:</p> <p>A. Budget Department management should continue to work with divisions receiving grant funds to formalize procedures for how report templates are to be completed, methodologies for calculations, and definitions for the various report components.</p> <p>B. Budget Department management should consider developing processes to verify performance data reported by individual divisions is accurate.</p>	<p>and streamline processes</p> <p>Fully Implemented: 06/23/15</p> <p>Management instructed Budget Department staff to continue to work with divisions receiving grant funds to formalize procedures regarding performance measure calculations and reporting upon grant award.</p> <p>Fully Implemented: 06/18/15</p> <p>Management updated the procedure manual regarding the consideration of additional processes to verify performance measures.</p>
1418 TableofContents	02/23/15	Human Resources Division – Position	<p>Finding 1: Position classification reviews were conducted in conformance with Personnel Directive-93, <i>Employee</i></p>	

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
		Classification Review	<p style="text-align: center;"><i>Classification.</i></p> <p>Recommendation:</p> <p style="text-align: center;">None</p>	
			<p>Finding 2: The timeliness of completing position classification reviews did not meet management’s expectation.</p> <p>Recommendation 2:</p> <p>A. Human Resources Division management should re-evaluate the performance measure used for this audit and establish departmental processing timeframes for the position classification review process.</p> <p>B. Human Resources Division should enhance monitoring procedures for the classification review process.</p> <p>D. Human Resources Division management should structure the classification review process to ensure it can be completed within the</p>	<p>In Progress: Target Date: 02/15/16</p> <p>Human Resources management agreed to re-evaluate the performance measure used for this audit and establish departmental processing timeframes for the classification review process.</p> <p>In Progress: Target Date: 02/15/16</p> <p>Management agreed to enhance monitoring.</p> <p>In Progress: Target Date: 02/15/16</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>timeframes to be established as a result of Recommendation A.</p> <p>D. Human Resources Division management should require divisions to provide written justification for process postponements. Management should evaluate the justification and determine whether to complete or close the classification review.</p>	<p>Management agreed to structure the classification review process to ensure it can be completed within established timeframes.</p> <p>In Progress: Target Date: 02/15/16</p> <p>Management will require divisions to provide written justification for process postponements and make appropriate revisions to operating procedures.</p>
<p>1419 TableofContents</p>	<p>02/23/15</p>	<p>Parole Division – Intermediate Sanction Facility Placements</p>	<p>Finding: The efficiency of placement of offenders into Intermediate Sanction Facilities could be improved.</p> <p>Recommendations:</p> <p>A. Parole Division management should review the process associated with the placement of offenders in Intermediate Sanction Facilities with consideration of:</p> <ul style="list-style-type: none"> • Whether a physical transfer packet is required or if the electronic information contained in the OIMS can be used; • Whether the Central Coordination Unit ISF unit can make the eligibility determination rather than the region ISF coordinator; and, 	<p>Substantially Implemented: Target Date: 09/30/15</p> <p>Revisions to Parole Division Policy and Operating Procedure 4.3.1, <i>Intermediate Sanction Facilities (ISF)</i>, were in the</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<ul style="list-style-type: none"> • Developing performance expectations for incremental processing steps and an overall performance expectation. B. Once the process has been reviewed, Parole Division management should revise PD/POP-4.3.1, <i>Intermediate Sanction Facilities (ISF)</i>, to reflect the processing responsibilities, design of the OIMS, and performance expectations. C. Parole Division management should implement monitoring procedures to periodically evaluate the ISF placement process. D. Parole Division management should continue coordinating with the Information Technology Division to evaluate the feasibility of automating the ISF scheduling and placement process. As an alternative, management should coordinate with the Information Technology Division to improve the reliability of existing OIMS reports. 	<p>approval phase.</p> <p>In Progress: Target Date: Pending.</p> <p>Pending prioritization of a data services request to develop enhancements to the OIMS.</p> <p>In Progress: Target Date: Pending.</p> <p>The Parole Division was currently using management oversight reports to continually monitor the ISF placement process.</p> <p>Pending prioritization of a data services request to develop enhancements to the OIMS.</p> <p>In Progress: Target Date: Pending.</p> <p>Pending prioritization of a data services request to develop enhancements to</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
				the OIMS.
1501 TableofContents	08/11/15	Private Facility Contract Monitoring/Oversight Division - Halfway Houses	<p>Finding: Monitoring procedures were effective to verify corrective actions and identify and issue sanctions. However, reporting timeframes were not met and there were opportunities to enhance the effectiveness of monitoring procedures to identify instances of noncompliance.</p> <p>Recommendations:</p> <p>A. Private Facility Contract Monitoring/Oversight Division management should formally document the process to review monitoring checklists. This should include a secondary review of checklist methodologies to ensure they are adequate to determine compliance and consideration of additional guidance for unannounced/unscheduled site visits.</p> <p>B. Private Facility Contract Monitoring/Oversight Division management should revise the <i>Report Status Log</i> to include the calculation of days between reporting phases and ensure the log captures all information necessary to track each type of report and reporting timeframes.</p>	<p>In Progress: Target Date: 08/14/15</p> <p>Management agreed to revise procedures to include a review of checklist methodologies.</p> <p>In Progress: Target Date: 08/14/15</p> <p>Management agreed to revise the <i>Report Status Log</i>.</p>
1502 TableofContents	08/24/15	Administrative Review and Risk Management – Monitoring and Standards	<p>Finding: The design of the operational review and American Correctional Association Accreditation programs could be improved to enhance the efficiency and effectiveness of efforts to ensure compliance with agency policy and procedures, court orders, and national standards.</p> <p>Recommendations:</p>	

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>A. Executive Management should evaluate and assess the effectiveness and efficiency of the operational review and ACA accreditation processes.</p> <p>B. Administrative Review and Risk Management Division should continue to work with division level proponents to ensure operational review checklist questions are supported by policy.</p>	<p>In Progress: Target Date: February 2016</p> <p>Executive management agreed to evaluate the effectiveness and efficiency of these programs.</p> <p>In Progress: Target Date: 09/01/15</p> <p>The Administrative Review and Risk Management (ARRM) Division will continue to work with division level proponents to ensure operational review checklist questions are supported by policy.</p>
1503 TableofContents	06/01/15	Agribusiness, Land and Minerals Cost Statement	<p>Finding: The Agribusiness financial information reflected in the <i>Texas Department of Criminal Justice Agribusiness, Land and Minerals Cost Statement 2013</i> was reliable and produced in a timely manner.</p> <p>Recommendations:</p> <p>None.</p>	

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
1504 TableofContents	03/25/15	A follow up audit to: Community Justice Assistance Division's Diversion Program Grants	<p>Follow-Up (SAO Audit 13-004)</p> <p>Conclusion: The Community Justice Assistance Division made significant progress in implementing recommendations from the State Auditor's Office audit 13-004.</p> <p>2-A1. Community Justice Assistance Division management should continue their ongoing efforts to evaluate all current monitoring processes to identify opportunities to increase, based on the risk assessment, the number of desk reviews or site visits to verify compliance with financial requirements.</p> <p>2-A4. Community Justice Assistance Division management should coordinate with Community Supervision and Corrections Departments to receive Independent Audit Reports in a timeframe that allows for reviews to be completed within one year of the fiscal year end.</p>	<p>Fully Implemented: 04/02/15</p> <p>The Community Justice Assistance Division management continued efforts to evaluate all current monitoring processes. Operating procedures have been updated based on those efforts.</p> <p>Fully Implemented: 04/02/15</p> <p>Management met with CSCD directors on the Fiscal Issues Committee to discuss an earlier due date for submission to TDCJ-CJAD of the independent audit reports and updated operating procedures based on those discussions.</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>2-A5. Community Justice Assistance Division management should continue their ongoing efforts to evaluate all current monitoring processes to identify opportunities to increase, based on the risk assessment, the number of desk reviews or site visits to verify compliance with financial requirements.</p> <p>2-A6. Community Justice Assistance Division management should consider revising contract monitoring procedures to evaluate a sample of contracts at selected CSCDs to ensure contract reviews are completed as scheduled.</p> <p>2-B1. Community Justice Assistance Division management should:</p> <ul style="list-style-type: none"> • Revise the <i>Field Services Policies and Procedures Manual</i> to include procedures for the use of <i>Case Review File Form</i> addendums; • Consider revising sampling methodologies to include representative samples of officers supervising offenders when evaluating program compliance; and, • Continue developing procedures to ensure that program performance data reported to the Intermediate System (ISYS) through Community Supervision and Corrections Department information systems is accurate. <p>2-B4. Community Justice Assistance Division management should:</p>	<p>Fully Implemented: 04/02/15</p> <p>Operating procedures were revised to incorporate considerations.</p> <p>Fully Implemented: 04/02/15</p> <p>Operating procedures were revised to incorporate considerations.</p> <p>Fully Implemented: 03/24/15</p> <p>Operating procedures were revised to incorporate considerations.</p> <p>Fully Implemented: 03/16/15</p>

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<ul style="list-style-type: none"> • Develop and implement a process to address continued non-compliance found during follow up diversion program reviews, to include notifying Community Supervision and Corrections Departments of potential sanctions; and, • Ensure review sampling methodologies are sufficiently designed to determine the status of corrective actions. <p>2-C1. Community Justice Assistance Division management should include the <i>Schedule of Sanctions</i> with diversion program grant agreements or make them available to Community Supervision and Corrections Departments through an alternate source.</p>	<p>Management implemented a process to address continued non-compliance found during follow up diversion program reviews, conducted a pilot technical assistance/audit to address continued non-compliance issues and sent out a schedule of sanctions.</p> <p>Fully Implemented: 02/12/15</p> <p>Sanction related information was made available to the Community Supervision and Corrections Departments electronically.</p>
1509 TableofContents	08/18/15	Office of the Inspector General – Training Academy	<p>Finding: Management’s expectations for continuing education and successful completion of a Texas Commission on Law Enforcement academy were met. However, expectations for field training and completion of the Office of the Inspector General training academy for new officers were not achieved.</p> <p>Recommendations:</p>	

Texas Department of Criminal Justice Internal Audit Division Annual Report for Fiscal Year 2015
 VIII. Texas Government Code Sections 2102.015 (d) and (e) Update – Continued

Audit No.	Report Date	Audit Title	Finding Statement and Recommendations	Actions Taken as of 08/31/15
			<p>A. Office of the Inspector General management should follow up to ensure all officers successfully complete <i>Cultural Awareness</i>.</p> <p>B. Office of the Inspector General management should take steps to ensure timely completion of field training and the OIG training academy.</p>	<p>In Progress: Target Date: 09/01/15</p> <p>Management agreed to follow up to ensure all officers successfully complete <i>Cultural Awareness</i> or receive written exemption.</p> <p>In Progress: Target Date: 08/31/15</p> <p>Management will develop a standard operating procedure regarding completion of field training and the training academy.</p>