

Fiscal Year 2016 Annual Audit Plan

Texas Department of Criminal Justice Internal Audit Division



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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>

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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>Staff: 2 Start Date: 01/01/16</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 required to be certified by the Texas Commission on Environmental Quality.</p>	<p>1. To determine whether the Facilities Division is effective in ensuring personnel acquire and maintain designated licenses and certifications required</p>

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	End Date: 03/31/16	<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>	by various laws and regulations.
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 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</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>

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		<p>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.
1607	Correctional Institutions Division	<p>At times, offenders require unscheduled transport off the unit. Generally, these transports include emergency transfers to local hospitals or Texas</p>	<ol style="list-style-type: none"> 1. To evaluate compliance with security functions

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	<p>Offender Off-Unit Transports</p> <p>Staff: 3 Start Date: 03/15/16 End Date: 06/15/16</p>	<p>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>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 information can be accessed through terminals, personal computers (PCs), local area networks (LANs), and the TDCJ wide area network (WAN).</p> <p>Management requested this audit.</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>

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1609	<p>Administrative Review and Risk Management Division</p> <p>Offender Grievance</p> <p>Staff: 4 Start Date: 04/01/16 End Date: 07/31/16</p>	<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.
1610	<p>Executive Administrative Services</p> <p>Records Retention</p> <p>Staff: 4</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</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.

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	Start Date: 04/01/16 End Date: 07/31/16	<p>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"> 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.
1612	<p>Business and Finance Division</p> <p>Annual Financial Reporting</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>	<ol style="list-style-type: none"> 1. To determine Business and Finance Division's compliance with applicable reporting requirements.

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	Staff: 2 Start Date: 05/01/16 End Date: 07/31/16	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.	
1613	Correctional Institutions Division Key Control Follow-up Staff: 3 Start Date: 06/15/16 End Date: 08/31/16	<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>Management requested this follow-up audit.</p>	<ol style="list-style-type: none"> 1. To determine the status of corrective action taken in response to Audit 1308.
1614	Information Technology Division Software Licensing Staff: 2	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	<ol style="list-style-type: none"> 1. To determine the completeness and accuracy of software audit reports. 2. To determine compliance with software licensing

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	Start Date: 06/15/16 End Date: 09/30/16	<p>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>	<p>requirements associated with installation, recovery and reuse, and disposal and destruction.</p> <p>3. To evaluate the effectiveness of software management to ensure maximum utilization of software acquisitions.</p>
1615	<p>Office of the Inspector General</p> <p>Evidence Control Follow-up</p> <p>Staff: 2 Start Date: 08/01/16 End Date: 09/30/16</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> <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</p>	<p>1. To determine the status of corrective action taken in response to Audit 1401.</p>

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		<p>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>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>	<p>1. To determine the status of corrective action taken in response to Audit 1413.</p>
1617			<p>1. To assist the Peer Review team in their planning</p>

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	<p>Texas Department of Criminal Justice</p> <p>Internal Audit Division</p> <p>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>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>
1619	<p>Walk Throughs</p> <p>Various</p>	<p>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.</p>	<p>1. To assist in the development of future audit plans by increasing our knowledge of unaudited areas of the agency.</p>