TEXAS DEPARTMENT OF CRIMINAL JUSTICE

INTERNAL AUDIT DIVISION

ANNUAL REPORT

for

Fiscal Year 2016

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Texas Department of Criminal Justice

Bryan Collier
Executive Director

October 21, 2016

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

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 2016 Guidelines for Submitting and Posting the Internal Audit Annual Report and Periodic Internal Audit Reports*. Our audit work for fiscal year 2016 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,

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

xc: Members, Texas Board of Criminal Justice
Bryan Collier, 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.

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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 2016.

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 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 2014, 2015, and 2016

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The table begins with an audit that was on the fiscal year 2014 plan, but was ongoing and a report had not been issued when the 2015 annual report was prepared. Additionally, it includes audits on the fiscal year 2015 plan which were ongoing when the 2015 annual report was issued. Audits on the 2014 plan begin with 14, audits on the 2015 plan begin with 15, and audits on the 2016 plan begin with 16.

Audit No.	Audit/Report Title	Status	Report Date	Explanation for Deviation
1414	**Correctional Institutions Division** Laundry Operations	Complete	10/06/15	N/A
1505	**Parole Division** Absconder Identification	Complete	04/22/16	N/A
1506	**Correctional Institutions Division** Release Functions	Complete	04/19/16	N/A
1507	**Rehabilitation Programs Division** DNA Collection	Complete	10/06/15	N/A
1508	**Human Resources** Equal Employment Opportunity	Complete	11/20/15	N/A
1510	**Information Technology Division** Video Conferencing	Complete	11/20/15	N/A
1511	**Community Justice Assistance Division** Fiscal Management – CSCD Insurance	Complete	01/07/16	N/A

II. Internal Audit Plan for Fiscal Years 2014, 2015, and 2016 – Continued

Audit No.	Audit/Report Title	Status	Report Date	Explanation for Deviation
1512	**Parole Division** Detainers	Complete	01/08/16	N/A
1513	**Correctional Institutions Division** Security Threat Group	Complete	02/02/16	N/A
1514	**Business and Finance Division** Payment Processing	Complete	03/15/16	N/A
1515	**Rehabilitation Programs Division** Individual Treatment Plan	Complete	04/22/16	N/A
1516	**Community Justice Assistance Division** Financial Management Reporting	Complete	05/06/16	N/A
1518	**Parole Division** Sex Offender Caseload	Ongoing	N/A	N/A
1519	**Administrative Review and Risk Management** Use of Force Review Follow Up	Complete	05/06/16	N/A
1520	**Board of Pardons and Paroles** Case Summaries	Complete	07/08/16	N/A

II. Internal Audit Plan for Fiscal Years 2014, 2015, and 2016 – Continued

Audit No.	Audit/Report Title	Status	Report Date	Explanation for Deviation
1601	**Business and Finance Division** Public Funds Investment Act **Windham School District** Public Funds Investment Act	Complete	01/14/16	N/A
1602	**Correctional Institutions Division** Unit Supply	Ongoing	N/A	N/A
1603	**Manufacturing and Logistics Division** Marketing	Complete	08/16/16	N/A
1604	**Facilities Division** Employee Licensing and Certification	Complete	08/12/16	N/A
1605	**Parole Division** Interstate Compact	Ongoing	N/A	N/A
1606	**Rehabilitation Programs Division** Post-Secondary Education Programs	Ongoing	N/A	N/A
1607	**Correctional Institutions Division** Offender Off-Unit Transports	Ongoing	N/A	N/A

II. Internal Audit Plan for Fiscal Years 2014, 2015, and 2016 – Continued

Audit No.	Audit/Report Title	Status	Report Date	Explanation for Deviation
1608	**Windham School District** Information Security – Access Controls	Ongoing	N/A	N/A
1609	**Administrative Review and Risk Management Division** Offender Grievance	Ongoing	N/A	N/A
1610	**Executive Administrative Services** Records Retention	Ongoing	N/A	N/A
1611	**Rehabilitation Programs Division** Civil Commitment	Ongoing	N/A	N/A
1612	**Business and Finance Division** Annual Financial Reporting	Ongoing	N/A	N/A
1613	**Correctional Institutions Division** Key Control Follow-up	Ongoing	N/A	N/A
1614	**Information Technology Division** Software Licensing	Ongoing	N/A	N/A

II. Internal Audit Plan for Fiscal Years 2014, 2015, and 2016 – Continued

Audit No.	Audit/Report Title	Status	Report Date	Explanation for Deviation
1615	**Office of the Inspector General** Evidence Control Follow-up	Ongoing	N/A	N/A
1616	**Reentry and Integration Division** Verification and Identification Processing Follow-up	Ongoing	N/A	N/A

III. Consulting Services and Nonaudit Services Completed

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Report No.	Report Date	Name of Report	Objective(s)	Observations / Results and Recommendations
1618	09/07/16	Action Plan Tracking	At the request of the Executive Director we obtained action plans for Internal Audit Division and State Auditor's Office audits.	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. 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.

IV. External Quality Assurance Review (Return to Table of Contents)

TDCJ QA Report

EXECUTIVE SUMMARY

In July 2016, Inquisitor Group conducted a Quality Assessment (QA) of the Internal Audit Division (IAD) of the Texas Department of Criminal Justice (TDCJ). The principal objectives of the QA were to assess the IAD's conformity to The IIA *International Standards for the Professional Practice of Internal Auditing (Standards)* and *Generally Accepted Government Auditing Standards* (GAGAS), evaluate the IAD'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 $3.4 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 IAD 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 IAD, 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 IAD 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 IAD is staffed with 22 employees including the Director, Deputy Director and two managers.

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

We found many positive aspects about the IAD. 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 IAD 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.

TDCJ QA Report

- 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.
- Conducting post audit surveys to solicit input from management on the audit process and audit results.
- Taking IAD staff members to TBCJ meetings for information and education.

OPINION AND RECOMMENDATIONS

In our opinion, the IAD "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 IAD also conforms to GAGAS. Thus, overall the IAD "generally conforms" to the International Standards for the Professional Practice of Internal Auditing and to GAGAS. In addition the team found that the IAD "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 IAD are listed below.

TDCJ QA Report

INNOVATIVE PRACTICE SUGGESTIONS FOR CONSIDERATION BY THE INTERNAL AUDIT DIVISION

1. Develop a more efficient methodology for documenting background research work in engagement audit planning and train staff on the new process.(Standard 2200)

2. Enhance the existing risk assessment model to include all IT risks both on the annual assessment and on individual audit engagements. Identify audit areas that would benefit from the use of technology-based audit software and apply where appropriate during audit engagements. (1210.A3,,2120, 2130)

3. The Audit Director is working diligently to purchase automated audit software and should continue those efforts. The audit department will be much more productive and will produce a much more efficient management operation in the department. . A similar recommendation appeared in the 2007 and 2013 TDCJ Internal Audit Division peer review reports.(2030)

4. Coordinate the review and approval of the Internal Audit Charter by the TBCJ Audit and Review Committee at least annually. Revise it as necessary to ensure it remains accurate and incorporate the recent revisions to the IIA Standards. Revise the Internal Audit Charter to include the recently added mandatory guidance promulgated by The IIA. (1000).

5. Look for opportunities to assist other divisions adopt best practices or their own audit and audit-like activities. While IA should not conduct training of other auditors, there may be an opportunity to invite other auditors to general audit skills training.(leading practice) For example:

   - Participation by IA as a presenter in the Executive Leadership Forum
   - Invite other auditors to skill training courses presented by or for IAD.

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

Respectfully,

Donald E. Kirkendall

Donald E. Kirkendall, CIA
Project Manager

Team Members:
Julie Watermolen, CIA, CPA CFE, CISA, CGFM
David MacCabe, CIA, CGAP, CRMA
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V. Internal Audit Plan for Fiscal Year 2017 (Return to Table of Contents)

The following table is our Fiscal Year 2017 Annual Audit Plan as presented to, and approved by, the Texas Board of Criminal Justice on August 18, 2016. 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, we include 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.

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
1701	**Parole Division** Restitution Collection Follow up Start Date: 09/01/16 End Date: 11/30/16	Restitution is a court ordered payment by an offender to the victim for financial loss sustained as a result of a crime. Parole Division Policy and Operating Procedure 3.1.6, *Fees/Restitution/Post Secondary Education Reimbursement/Collection*, establishes procedures for the collection of restitution while on supervision. A supervising parole officer investigates the offender's financial obligations and identifies any non-essential expenses the offender can eliminate to determine the maximum amount the offender can pay toward his restitution obligation. The officer creates a budget with the offender and monitors monthly payments until restitution is paid in full. The offender is required to pay the full amount of restitution in the least amount of time possible. We conducted a fiscal year 2014 audit of this function and found financial budgets for the payment of restitution by offenders on supervision were not established in a consistent manner resulting in variances in the offender's obligated monthly restitution payment amount. In addition, financial budgets were not always submitted within the required timeframes. We also found offenders in our sample were generally making restitution payments, but parole officers were not always consistent in applying required strategies to enforce restitution payments. We have scheduled this follow up audit.	1. To determine the status of corrective action taken in response to Audit 1407.
1702	**Windham School District** Recreation Programs Follow up	Administrative Directive – 07.33, *Organization, Administration, and Responsibilities of the TDCJ Offender Recreation Program,* requires the TDCJ to provide recreation programs for incarcerated offenders. The programs are administratively organized under the supervision of the Windham School District. The Windham School District is responsible for the coordination of financial needs, the development and issuance of policies	1. To determine the status of corrective action taken in response to Audit 1409.

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
	Start Date: 09/01/16 End Date: 11/30/16	and procedures, and technical oversight of the recreation program. The Recreation Program is funded with state appropriated funds generated from the sale of commissary items. We conducted an audit of this function in fiscal year 2014 and found management's expectations for dayroom recreational supplies and television viewing were achieved. However, all recreational equipment and supplies were not always available for offender use in indoor and outdoor recreation areas. In addition, while general recreation documentation was not always compliant with the *Recreation Program Procedures Manual,* craft shop related documentation was generally compliant with applicable policies. We have scheduled this follow up audit.	
1703	**Business and Finance Division** Victim Restitution System Start Date: 09/01/16 End Date: 12/31/16	Restitution is money the court orders a defendant to pay a victim who has suffered financial losses caused by a crime. The judgment and sentence direct how much restitution, if any, a defendant pays and who receives it. Dependent upon the disposition of an offense, restitution may be collected and distributed in a variety of methods. If the defendant is on probation, the Community Supervision and Corrections Department collects the restitution and distributes it to the victim. If the defendant is incarcerated, and there is a court order, the TDCJ can withdraw the restitution from the inmate's trust fund account for distribution to the victim. If there is no court order, the victim can request the court issue one. In cases where the defendant is on parole or mandatory supervision, the parole officer collects the restitution and the TDCJ is responsible for disbursement of the funds to the victim. Any funds collected but not able to be disbursed are maintained for five years before being transferred to the Crime Victims' Auxiliary Fund.	1. To determine the reliability of victim contact information maintained in the Victim Restitution System.

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
		The Business and Finance Division's Restitution and Fees section processes payments to victims based on contact information stored in the Victim Restitution System. The record is initially obtained from court documents and may be updated over time through direct contact with the victim or coordination with the Victim Services Division. However, the primary responsibility for notification of changes in contact information resides with the victim. The Restitutions and Fees section processed approximately $588,000 in payments to victims during fiscal year 2015. Management requested and we have scheduled this audit.	
1704	**Human Resources Division** Position Classification Review Follow up Start Date: 09/01/16 End Date: 11/30/16	The State Position Classification Plan provides a generic job description and a salary range for each job title the agency uses. Personnel Directive 93, *Employee Classification*, requires, with limited exceptions, supervisors to ensure an employee's duties remain within the employee's current position classification. However, as a result of changes in operational objectives, it may at times be necessary to revise an employee's duties. In these instances the supervisor must request, through executive management, for the Human Resources Division to conduct a position classification review. The position classification review evaluates the nature of the job duties and recommends the appropriate classification. The Employee Classification Program is also required to review each of the TDCJ's position descriptions at least once every five years. To accomplish this objective they may initiate a spot position classification review at any time to verify the position is appropriately classified. We conducted a fiscal year 2014 audit and found position classification reviews	1. To determine the status of corrective action taken in response to Audit 1418.

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
		were conducted in conformance with Personnel Directive 93. *Employee Classification.* However, the timeliness of completing reviews did not meet management's expectation. We have scheduled this audit.	
1705	**Information Technology Division** Information Systems Security – Texas Administrative Code Chapter 202 Start Date: 12/01/16 End Date: 02/28/17	Information systems security is comprised of the standards and procedures that protect data against unauthorized disclosure, modification, or destruction, whether accidental or intentional. Due to the rapidly changing environment, system security presents a significant risk to information systems. To provide guidance to agencies in mitigating these security risks, the Texas Department of Information Resources developed information security standards. These standards are published in the Texas Administrative Code, Title 1, Part 10, Chapter 202. All state agencies are required to have an information resources security program consistent with these standards and the state agency's head is responsible for the protection of information resources. The standards underwent significant revisions in 2015 and management requested we conduct an audit to measure compliance with the updated standards. Therefore, we have scheduled this audit.	1. To evaluate agency compliance with Chapter 202 of the Texas Administrative Code.
1706	**Executive Administration** Ethics Programs Start Date: 12/01/16 End Date: 02/28/17	The TDCJ is committed to providing guidance to employees so they can strive to maintain high professional standards of conduct while on duty. Ethical conduct issues generally relate to conflicts or perceived conflicts between a person's self-interest and external duties. Ethical behavior means elevating those external duties above one's self-interest, except in those instances when action based on self-interest is both authorized and appropriate. Board Policy - 02.01, *Texas Department of Criminal Justice Ethics Policy,*	1. To determine the effectiveness of agency efforts to educate employees of their ethical responsibilities.

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
		establishes the framework for agency employees when conducting duties associated with public service and related to working with others, including offenders and crime victims, in an honest and fair environment. This directive also contains the agency Code of Ethical Conduct. The TDCJ Code of Ethical Conduct is a fundamental element of the TDCJ's mission of providing public safety, promoting positive offender change and reintegration into the society, and assisting victims of crime. As a reflection of the mission statement, the Code of Ethical Conduct serves as a practical guide for all employees. In addition to Board Policy – 02.01, provisions for ethical behavior are included in numerous other agency policies and operating procedures. For example, Executive Directive – 02.02, *Fraud Prevention, Detection, and Reporting*, establishes, "Prevention of fraud starts with the leadership of the TDCJ emphasizing the importance of a workplace environment that promotes ethical behavior throughout the TDCJ." As it is the objective of the agency ethics program to establish and ensure every employee is made aware conduct to which they should aspire, we have scheduled this audit.	
1707	**Reentry and Integration Division** Continuity of Care Start Date: 12/01/16 End Date: 03/31/17	Chapter 614 of the Texas Health and Safety Code establishes guidelines for interagency cooperation in the identification of offenders who may be in need of special reentry assistance. The Texas Department of Criminal Justice, the Department of State Health Services, the Bureau of Identification and Records of the Department of Public Safety, representatives of local mental health or intellectual and developmental disability authorities appointed by the commissioner of the Department of State Health Services, and the directors of community	1. To evaluate the effectiveness of efforts to identify offenders for continuity of care services.

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
		supervision and corrections departments cooperate through a Memorandum of Understanding that establishes their respective responsibilities to institute a continuity of care and service program for special needs offenders in the criminal justice system. The Texas Correctional Office on Offenders with Medical or Mental Impairments (TCOOMMI), under the TDCJ Reentry and Integration Division, provides pre-release screening and referral to aftercare treatment services for special needs offenders releasing from correctional settings, local jails, or other referral sources. The TCOOMMI contracts with local entities across the state to provide continuity of care services for persons on probation or parole by linking them with community based interventions and support services. Management requested we schedule this audit.	
1708	**Windham School District** Application Processing Start Date: 12/01/16 End Date: 02/28/17	The mission of the Windham School District is to provide quality educational opportunities for offenders to reduce recidivism, reduce the cost of confinement or imprisonment, increase the success of former offenders in obtaining and maintaining employment, and provide an incentive to offenders to behave in positive ways during confinement or imprisonment. To ensure these goals are met, the Windham School District hires teachers at locations across the state. The basic requirements for a teaching position are a bachelor's degree and to meet the State Board for Educator Certification requirements for certification. During fiscal year 2015 the Windham School District authorized 642 teaching positions. During the same time period, the district hired 103 teachers, and, at the end of the fiscal year, had 102 vacancies.	1. To evaluate the efficiency of the process to hire teachers.

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
		This is a management requested audit.	
1709	**Board of Pardons and Paroles** Hearings Start Date: 03/01/17 End Date: 06/30/17	Texas Government Code §508.0441 provided, Board members and parole commissioners shall determine, among other duties, the continuation, modification, and revocation of parole and mandatory supervision. The revocation process usually involved a hearing for the offender under §508.281 of the code. The hearing process began when a parole officer conducted a pre-hearing interview with the offender who had committed a violation. If the Parole Division decided to seek revocation of parole or other action requiring a Board action, the Parole Officer was responsible for scheduling a hearing with the Board of Pardons and Paroles within seven days of execution of a warrant or sheriff notification. The supervising parole officer provided the evidence to support the allegations during the hearings (i.e., preliminary and revocation). The Hearing Officer conducted the hearings on behalf of the Board and acted as the fact finder for the case. The Hearing Officer collected the evidence and, at the conclusion of the revocation hearing, wrote the hearing report. The report and evidence were provided to the Board Panel Analyst who made recommendations to the Board Panel on the disposition of each case. If the offender waived the hearings, the support and the waiver signed by the offender were provided to the Board Analyst. Once the hearing process was completed or waived, the Board Panel decided whether to revoke parole or take some other action, such as sending the offender to an Intermediate Sanction Facility (ISF). In fiscal year 2015, the Board conducted a total of 20,227 preliminary and revocation hearings, processed a total of 18,332 hearing waivers, and	1. To evaluate the efficiency of the process to schedule and conduct hearings.

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
		provided 38,559 decisions regarding offenders in the revocation process. Management requested and we have scheduled this audit.	
1710	**Correctional Institutions Division** Unit Entry and Search Procedures Start Date: 03/01/17 End Date: 06/30/17	Every secure correctional facility has many people entering and leaving the facility on a daily basis. Unit personnel arrive and depart at shift changes, volunteers enter to provide services, and visitors are allowed entry at designated times. In addition, commodities are delivered on a regular basis to ensure normal operations and contracted personnel may arrive to provide various services. With each person entering a facility, there is a risk that contraband could be introduced to the unit, either intentionally or inadvertently. As these contraband items could include items that may pose a threat to institutional security, it is important that established prevention and detection procedures are consistently followed. We last audited this area in fiscal year 2010. Therefore, we have scheduled this audit.	1. To determine compliance with applicable Administrative Directives, Security Memoranda, Post Orders, and Operational Plans related to unit entry and contraband prevention and detection.
1711	**Victim Services Division** Victim Impact Statements Start Date: 03/01/17 End Date: 05/31/17	A victim impact statement is a form used by a crime victim to record the emotional and psychological impact, physical injury, and economic loss a crime has had on a victim and his or her family members. The form is also used to collect contact information for crime victims for notification purposes. This form provides information to personnel in many stages of the criminal justice system, including the court system and the parole review process. The victim impact statement is provided to crime victims by the county of jurisdiction and forwarded to the TDCJ upon conviction and sentencing. Typically, this form is received by the Classification and Records Department with the offender's commitment paperwork. However, the form could also be received through other avenues (e.g. directly mailed to the Victim Services	1. To determine the effectiveness of efforts to identify, process, and file victim impact statements received by the agency.

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
		Division). The Victim Services Division reported 2,883 victim impact statements were received by the TDCJ in fiscal year 2015. We have scheduled this audit.	
1712	**Human Resources Division** Correctional Officer Application Processing Start Date: 03/01/17 End Date: 05/31/17	The correctional officer application process began with receipt of an application and ended when a qualified applicant was made a conditional offer of employment or when the applicant was placed in a pool of pending applicants. The Human Resources Division reviewed applicants to ensure that they met basic eligibility criteria to become a correctional officer. These criteria included such things as having United States citizenship or being an alien authorized to work in the U.S, being at least 18 years old, having graduated from an accredited senior high school or equivalent or obtained a state or military issued General Education Development (GED) certificate, etc. In addition to confirming these eligibility criteria for first time applicants, the division also administered a written correctional officer pre-employment test. If an applicant met eligibility requirements and passed the pre-employment test the division computed the composite evaluation score based on information included in the application, criminal background check, pre-interview questionnaire, employer references, and job-related information obtained in the interview. Hiring sufficient correctional officers to meet staffing needs has been a	1. To evaluate the efficiency of the correctional officer application process.

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
		challenge for the agency and we have audited this functional area several times. Because of the need for the hiring process to ensure appropriate levels of applicants are available during fluctuating periods of correctional officer vacancies, we have scheduled an audit of this function.	
1713	**Business and Finance Division** eCommDirect Start Date: 06/01/17 End Date: 08/31/17	The TDCJ Commissary and Trust Fund Department utilizes an online program where friends and family may purchase up to $60 of commissary items the first three calendar quarters for eligible offenders and $85 for the fourth quarter (Holiday Spend). The items available for purchase include items such as snacks, hygiene products, and correspondence supplies. The online amount purchased does not affect the amount offenders may spend on commissary items from funds deposited in their trust fund account. Additionally, friends and family may also choose to make an online deposit to an offender's trust fund account. This service is provided through contractual agreement between a private vendor, the Texas Department of Information Resources, and the TDCJ. Under this contract, the vendor receives payment for services from the purchaser based on a schedule of fees related to types of transactions. For example, the vendor is paid a $3.75 convenience fee for each online commissary transaction. Management reported, as of April 2016, there were over 400,000 eCommDirect transactions processed with a total dollar amount exceeding $19 million during the current fiscal year. Management requested and we have scheduled this audit.	1. To determine the effectiveness of efforts to ensure vendor performance meets contractual requirements.
1714	**Information Technology Division**	The TDCJ supports a comprehensive Continuity of Operations Plan that ensures the ability to continue essential TDCJ business operations in the event of a disruptive incident.	1. To evaluate the effectiveness of efforts to ensure divisional continuity of operations plans

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
	Office of Incident Management Continuity of Operations Planning Start Date: 06/01/17 End Date: 08/31/17	Business continuity planning is the process of preventing, mitigating, and recovering from disruption. Business continuity plans address information resources so that the effects of a disaster will be minimized and the agency will either be able to maintain or quickly resume mission-critical functions. This planning includes identifying critical data systems and business functions, analyzing the risks and probabilities of service disruptions, and developing procedures to restore those systems and functions. The Office of Incident Management provides coordination of the continuity of operations planning function between divisions, departments, and TDCJ partners to ensure a coordinated response during a crisis. The Office of Incident Management is responsible for the development of operational procedures regarding the development, testing, and maintenance of the TDCJ Continuity of Operations Plan. The plan encompasses all TDCJ functions and operations and contains the continuity of operations plans of all divisions and departments. The Information Technology Division provides assistance to respective divisions regarding the information resources component of continuity of operations planning through facilitation of conducting a business impact analysis and assistance in developing a disaster recovery plan. Management requested this audit.	align with their respective business impact analyses and disaster recovery plans.
1715	**Parole Division**	An offender is alleged to have committed a violation of absconding	1. To determine the status of

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
	Absconder Identification Follow up Start Date: 06/01/17 End Date: 08/31/17	supervision when they: fail to make an initial report to a parole office upon release from a detention facility; fail to report as scheduled after the initial report and cannot be located for the purpose of supervision; or fail to attend a scheduled hearing by summons after being provided proper notification. After the parole officer becomes aware the offender has absconded, a violation report must be submitted for a warrant issuance decision. Parole Division Policy and Operating Procedure 4.1.1 directs the efforts required of the parole officer to locate the offender prior to submission of a violation report and establishes the timeframes for the submission of the violation report. We conducted a fiscal year 2015 audit and found staff were not sufficiently compliant with processes included in policy to effectively identify absconders. Therefore, we have scheduled this follow up audit.	corrective action taken in response to Audit 1505.
1716	**Facilities Division** Unit Maintenance Start Date: 06/01/17 End Date: 08/31/17	The Facilities Division provides a full range of facility management services to the Texas Department of Criminal Justice, including facility planning, design, construction, maintenance, and environmental quality assurance and compliance. The Facilities Division Headquarters is located in Huntsville but has maintenance employees working at state owned and operated facilities throughout the state. Those employees provide long range and day-to-day maintenance as required to keep the facilities in proper working condition and support each component of each facility, 24 hours a day, 365 days a year. The Maintenance Department maintains all TDCJ owned and operated facilities. A unit maintenance office is located on each correctional facility. Each office has a technical staff, which varies according to the mission and facility offender population. The Facilities Division reported unit maintenance departments completed	1. To determine the effectiveness of efforts to prioritize and complete corrective maintenance work orders.

Assignment Schedule	Division/ Audit Title/ Resources	Audit Summary	
		Justification	Objectives
		399,806 corrective maintenance work orders during fiscal year 2015.	
1717	**Internal Audit Division** Action Plan Tracking Start Date: 09/01/16 End Date: 08/31/17	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. We will continue our efforts to collect updated action plans from management.	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.
1718	**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

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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 2016.

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.

- **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

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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, 2015 and August 31, 2016. The status of actions taken reflects status reported by management as of August 31, 2016 for audit reports issued prior to June 30, 2016. The status for reports issued after June 30, 2016 reflects target dates on action plans when submitted.

Audit No.	Audit Title	Report Date	Finding Statement and Recommendations	Actions Taken as of 08/31/16
1414	**Correctional Institutions Division** Laundry Operations	10/06/15	Finding 1: Unit laundry operations did not always utilize resources as efficiently as management desired. Recommendation 1:	Management submitted action plans consistent with the recommendations made in this report. Actions are reported as complete.
			A. Laundry, Food and Supply management should take steps to ensure offender workers receive appropriate technical supervision during the processing of laundry.	**Fully Implemented 08/19/15**
			B. Laundry, Food and Supply management should coordinate through Correctional Institutions Division management to re-emphasize the need to comply with written operating procedures rather than unit preferences.	**Fully Implemented 12/01/15**
			C. Laundry, Food and Supply management should ensure unit laundry staff continue to work with unit maintenance to ensure laundry equipment is fully functional.	**Fully Implemented 12/01/15**
			D. Laundry, Food and Supply management should ensure all laundry staff are trained on the training curricula.	**Fully Implemented 12/03/15**
			E. Laundry, Food and Supply management should consider revising the Operational Review checklist to include questions directly related to using resources efficiently and ensure methodology is sufficient to ensure a determination of compliance can be made.	**Fully Implemented 08/19/15**
			F. Laundry, Food and Supply management should revise the Laundry and Necessities Procedures Manual to ensure all of the information required for compliance with an operating procedure is contained within that procedure.	**Fully Implemented 08/18/15**

Audit No.	Audit Title	Report Date	Finding Statement and Recommendations	Actions Taken as of 08/31/16
			Finding 2: Unit laundry operations were not always compliant with the Laundry and Necessities Procedures Manual. Recommendation 2:	
			A. Laundry, Food and Supply management should revise the enhanced training curriculum to reflect current quality control procedures for employee clothing and officer uniforms.	**Fully Implemented 08/18/15**
			B. Laundry, Food and Supply management should consider revising the Operational Review checklists and associated methodologies to ensure they are sufficient to evaluate compliance.	**Fully Implemented 08/18/15**
			C. Laundry, Food and Supply management should revise operating procedures to establish timeframes for the completion of unit based training and re-communicate the expectation that all training modules should be completed.	**Fully Implemented 08/19/15**
1505	**Parole Division** Absconder Identification	04/22/16	Finding: Staff were not sufficiently compliant with processes included in policy to effectively identify absconders. Recommendations:	Management submitted action plans consistent with the recommendations made in this report. Actions are reported as complete.
			A. Division management should take steps to ensure parole officers enter all contacts that assist in identifying absconders in OIMS.	**Fully Implemented 05/13/16**
			B. Parole Division management should continue to coordinate with the Information Technology Division to ensure reliable reports are available to assist in the identification of absconders. Once implemented, management should ensure	**Fully Implemented 04/11/16**

Audit No.	Audit Title	Report Date	Finding Statement and Recommendations	Actions Taken as of 08/31/16
			reviews are conducted by district parole office supervisors in order to ensure appropriate action is taken within the required timeframes.	
			C. Parole Division management should clarify the intent of the Missing Contacts Breakdown Report and ensure district parole office supervisors complete weekly reviews of oversight reports.	**Fully Implemented 05/13/16**
			D. Parole Division management should ensure policy includes sufficient instruction for actions to take when an offender fails to make an initial report after release from a detention facility, to include timeframes for assignment to a parole officer for investigation and the use of mainframe reports to identify offenders that failed to make an initial report.	**Fully Implemented 05/13/16**
			E. Parole Division Management should ensure Violation Reports for absconders that were not submitted within the timeframes established in Parole Division Policy and Operating Procedure 4.1.1, Processing Violations of the Rules and Conditions of Release, are reported to region directors.	**Fully Implemented 04/01/16**
			F. Parole Division management should ensure Violation Reports associated with absconders include the appropriate recommendation to issue a warrant and are submitted within the timeframes in accordance with Parole Division Policy and Operating Procedure 4.1.1, Processing Violations of the Rules and Conditions of Release.	**Fully Implemented 05/13/16**
			G. Parole Division management should ensure that warrants are issued appropriately by the Warrants Section for Violation	**Fully Implemented 04/01/16**

Audit No.	Audit Title	Report Date	Finding Statement and Recommendations	Actions Taken as of 08/31/16
			Reports submitted for offenders that meet the criteria to be considered an absconder.	
1506	**Correctional Institutions Division** Release Functions	04/19/16	Finding: Offender releases were generally processed in accordance with agency requirements. However, there were opportunities to improve technical compliance with certain aspects of the release process. Recommendations: A. Classification and Records Office management should clarify expectations for staff. B. Classification and Records Office management should increase monitoring of Release Section staff related to timeliness of release scheduling. C. Classification and Records Office management should revise Unit Classification Procedure 16.00 State Jail Offender Release Checklist/Transition Plan. D. Classification and Records management should continue to improve and provide training for state jail staff involved in release processing. E. Classification and Records management should evaluate the instances of technical noncompliance we communicated and determine if corrective action is needed.	Management submitted action plans consistent with the recommendations made in this report. Actions are reported as complete. **Fully Implemented 03/09/16** **Fully Implemented 03/21/16** **Fully Implemented 02/24/16** **Fully Implemented 03/07/16** **Fully Implemented 03/07/16**
1507	**Rehabilitation Programs Division**	10/06/15	Finding: The agency was generally compliant with Administrative Directive - 03.17, *Offender DNA Specimen Collection.* However, there were limitations in the data to support all specimens were confirmed by the DPS.	Management submitted action plans consistent with the recommendations made in this report. Actions are reported as complete.

Audit No.	Audit Title	Report Date	Finding Statement and Recommendations	Actions Taken as of 08/31/16
	DNA Collection		Recommendations:	
			1. Rehabilitation Programs Division management should work with the Information Technology Division to ensure programming related to DPS confirmations functions as intended and develop an exception report to allow staff to identify specimens without a confirmation.	**Fully Implemented 04/04/16**
			2. Rehabilitation Programs Division management should work with the Information Technology to ensure the DN00 displays the date an "E" record was created when an existing entry is overwritten. In the interim, management should consider implementing procedures to maintain documentation of specimen redraw notifications to unit medical staff.	**Fully Implemented 04/04/16**
			3. Rehabilitation Programs Division management should develop procedures to identify offenders requiring a specimen redraw who are scheduled for imminent release. In addition, management should consider modifying Administrative Directive - 03.17, *Offender DNA Specimen Collection,* to include a timeframe for completing specimen redraws.	**Fully Implemented 09/15/15**
1508	**Human Resources** Equal Employment Opportunity	11/20/15	Finding: The Human Resources Division was generally compliant with policy requirements related to Equal Employment Opportunity. However, expectations were not met for completeness of complaint packets, notification of external filing rights when a complaint was made, and the timeliness of responding to external investigations. Recommendations:	Management submitted action plans consistent with the recommendations made in this report. Actions are reported as complete.

Audit No.	Audit Title	Report Date	Finding Statement and Recommendations	Actions Taken as of 08/31/16
			A. Human Resources management should continue efforts to ensure the Notification of EEO Investigation and Interim Remedial Actions form (PERS 408), is completed in its entirety by requiring the signatures and dates of the complainant, respondent, and supervisor.	**Fully Implemented 10/15/15**
			B. Human Resource management should revise standard operating procedures to include specific instruction regarding the preferred method of external filing rights notification.	**Fully Implemented 12/27/15**
			C. Human Resources management should continue to work toward timely completion of responses to external EEO investigations and, when necessary, request and document extensions from the external agencies before the deadline.	**Fully Implemented 10/15/15**
1510	**Information Technology Division** Video Conferencing	11/20/15	Finding: Processes to ensure the effective utilization of videoconferencing could be improved. Recommendation: Executive management should develop an agency wide directive governing the use of videoconferencing.	Management submitted action plans consistent with the recommendations made in this report. Actions are reported as ongoing. **Target Date 09/01/16**
1511	**Community Justice Assistance Division** Fiscal Management – CSCD Insurance	01/07/16	Finding: Processes completed by the Community Justice Assistance Division were effective in ensuring accurate health insurance payments for CSCD employees and retirees. Recommendation: Community Justice Assistance Division management should review existing policies and procedures to determine if more detailed instructions for the completion of required CSCD health insurance documentation, such as cost projection and	Management submitted action plans consistent with the recommendations made in this report. Actions are reported as complete. **Fully Implemented 12/21/15**

Audit No.	Audit Title	Report Date	Finding Statement and Recommendations	Actions Taken as of 08/31/16
			reconciliation forms, and CJAD reconciliation processes are needed.	
1512	**Parole Division** Detainers	01/08/16	Finding: The Parole Division Central Coordination Unit was effective in monitoring the detainer/deportation caseload. Recommendation: None.	N/A
1513	**Correctional Institutions Division** Security Threat Group	02/02/16	Finding: Security threat group records were reliable and the approval process for suspected and confirmed security threat group members was efficient. However, timeliness of approvals by the Security Threat Group Management Office could be improved. Recommendation 1: A. Correctional Institutions Division management should establish timeframes for processing in TAGIT and develop monitoring of timeframes. The monitoring may include utilizing or modifying the existing Overdue Documents in Pending Status report. B. Correctional Institutions Division management should update the Security Threat Group Operations Manual to reflect current processes and the timeframes established in recommendation 1A.	Management submitted action plans consistent with the recommendations made in this report. Actions are reported as complete. **Fully Implemented 01/31/16** **Fully Implemented 02/29/16**
1514	**Business and Finance Division** Payment Processing	03/15/16	Finding: The Business and Finance Division was effective in making payments to vendors. Recommendations:	N/A

Audit No.	Audit Title	Report Date	Finding Statement and Recommendations	Actions Taken as of 08/31/16
			None.	
1515	**Rehabilitation Programs Division** Individual Treatment Plan	04/22/16	Finding 1: Although the information may have been available through other sources, Individual Treatment Plan screens did not contain all elements required by Texas Government Code section 508.152 and documentation did not always exist to indicate offenders received the required annual review. Recommendations: A. Rehabilitation Programs Division management should coordinate with the Windham School District to designate a specific entity as the owner of the Individual Treatment Plan system. This designation should include provisions for monitoring to ensure the system documents compliance with government code requirements. B. Rehabilitation Programs Division management, in coordination with the Correctional Institutions Division, should ensure all offenders' ITPs are reviewed annually and the review is recorded appropriately in the mainframe system. Finding 2: Programs in our sample provided by the agency and Windham School District were evaluated and the evaluation plans generally measured the effectiveness of the program to achieve behavioral modification objectives by analyzing recidivism rates. However, not all programs provided by volunteers were evaluated. Recommendation:	Management submitted action plans consistent with the recommendations made in this report. Actions are reported as ongoing. **Fully Implemented 07/31/16** **Pending Programming**

Audit No.	Audit Title	Report Date	Finding Statement and Recommendations	Actions Taken as of 08/31/16
			A. Rehabilitation Programs Division management should consider requiring applicants for volunteer programs to list goals, objectives, identified benefit to offenders, as well as evaluation methods to be utilized in the program proposal packet and determine if additional program evaluation methods should be implemented. Finding 3: Offenders were placed in programs in conformance with the needs and priorities displayed on the Individual Treatment Plan (ITP) screen. However, we believe the data was not sufficiently reliable to determine if the placement order reflected on the ITP screen was appropriate for the offenders. Recommendation: Addressed through other recommendations in this report. Finding 4: The Individual Treatment Plan screen contained current program enrollment and completion information. However, there were data limitations impacting overall completeness. Recommendation: Addressed through other recommendations in this report. Finding 5: Information entered through various input systems generally populated the offender Individual Treatment Plan automatically and accurately. However, the needs and priorities for offenders in our sample were not always consistent with guidance provided in the Individualized	**Fully Implemented 04/01/16**

Audit No.	Audit Title	Report Date	Finding Statement and Recommendations	Actions Taken as of 08/31/16
			Treatment Plan Procedures Manual. Recommendations: A. Upon designation of a system owner, the owner should coordinate with the Information Technology Division to ensure the automation rules include all programs and the system accurately populates the need and priority codes for offender programming. Subsequently, they should coordinate with Rehabilitation Programs Division management to ensure the automation rules are accurately documented in the Individualized Treatment Plan Procedures Manual. B. The designated system owner should consider adding automation rules to ensure Board of Pardons and Parole vote withdrawals appropriately update an offender's Individual Treatment Plan to help mitigate risk of error.	**Pending Programming** **Pending Programming**
1516	**Community Justice Assistance Division** Financial Management Reporting	05/06/16	Finding: The web-based Budget and Quarterly Financial Reporting system was appropriately designed to ensure local departments provided complete and accurate information. Recommendation: Management should ensure Information Technology Department procedures are in compliance with the TDCJ-ITD Information Resources Security Program Manual for account management and passwords.	Management submitted action plans consistent with the recommendations made in this report. Actions are reported as complete. **Fully Implemented 08/10/16**
1519	**Administrative Review and Risk Management**	05/06/16	Finding: It was our opinion management made progress in the implementation of corrective actions from the prior audit. Of the six recommendations made, two were fully	Management submitted action plans consistent with the remaining actions needed. Action is ongoing with full

Audit No.	Audit Title	Report Date	Finding Statement and Recommendations	Actions Taken as of 08/31/16
	Use of Force Review Follow Up		implemented, two were substantially implemented, and two were incomplete/ongoing.	implementation expected by January 2017.
1520	**Board of Pardons and Paroles** Case Summaries	07/08/16	Finding 1: The Board of Pardons and Paroles was efficient in creating case summaries. However there was room for improvement in ensuring case summaries were submitted to the Board prior to or on an offender's parole eligibility date. Recommendation: Board of Pardons and Paroles management should continue evaluating the process of assigning case summaries to ensure they are completed and submitted to the board prior to the offender's parole eligibility date. Finding 2: The information contained in the case summary was readily available to voting panels. However, we observed, and the voting members we interviewed expressed, difficulty navigating and locating documents in the electronic imaging system. Recommendation: Board of Pardons and Paroles management should coordinate with the TDCJ Information Technology Division to develop formal training on the use of the electronic imaging system.	Management submitted action plans consistent with the recommendations made in this report. Actions are reported as ongoing. **Target Date 07/29/16** **Target Date 07/20/16**

Audit No.	Audit Title	Report Date	Finding Statement and Recommendations	Actions Taken as of 08/31/16
1601	**Business and Finance Division** Public Funds Investment Act **Windham School District** Public Funds Investment Act	01/14/16	Finding: The TDCJ and the Windham School District were compliant with the Public Funds Investment Act (Government Code, Chapter 2256), management controls on investments, and their respective agency's established investment policies. Recommendation: None.	N/A
1603	**Manufacturing and Logistics Division** Marketing	08/16/16	Finding: Although sales revenues increased 18% between biennia, data was not sufficient to measure the effectiveness of the Marketing Department. Recommendations: A. Manufacturing and Logistics Division management should set measurable goals for marketing specialists, devise a plan to meet the goals, and direct the efforts of the marketing specialists accordingly. Subsequent to the development of the plan, management should monitor to ensure goals are achieved. B. Manufacturing and Logistics Division management should continue efforts to update their information system. This should include consideration of methods to accurately track the number of	Management submitted action plans consistent with the recommendations made in this report. Actions are reported as ongoing. **Target Date 12/31/16** **Target Date 12/31/16**

Audit No.	Audit Title	Report Date	Finding Statement and Recommendations	Actions Taken as of 08/31/16
			customers.	
			C. Manufacturing and Logistics Division management should ensure the customer satisfaction survey link functions as intended. Management should also consider modifying the contents of the survey to collect data linking marketing efforts to sales.	**Target Date 11/01/16**
1604	**Facilities Division** Employee Licensing and Certification	08/12/16	Finding: The Facilities Division was generally effective in ensuring personnel acquire and maintain designated licenses and certifications required by various laws and regulations. However, tracking efforts could be improved.	Management submitted action plans consistent with the recommendations made in this report. Actions are reported as ongoing.
			Recommendations:	
			A. Facilities Division management should consider centralizing the process to track license requirements for all employees and offenders.	**Target Date 09/01/16**
			B. Facilities Division management should enhance existing monitoring mechanisms.	**Target Date 09/01/16**