



FISCAL YEAR 2019 ANNUAL AUDIT REPORT

October 29, 2019

OUR MISSION

The mission of the Internal Audit Division 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.

AUDIT TEAM

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To: John Colyandro
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Christopher Mattsson
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Internal Audit Coordinator
Texas State Auditor's Office

A report on the activity of the Internal Audit Division of the Texas Board 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 2019 Guidelines for Submitting and Posting the Internal Audit Annual Report and Periodic Internal Audit Reports. 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, CFE, CGAP
Director, Internal Audit Division
Texas Board of Criminal Justice

xc: Members, Texas Board of Criminal Justice
Bryan Collier, Texas Department of Criminal Justice
David Gutierrez, Texas Board of Pardons and Paroles
Kristina Hartman, Windham School District

INTRODUCTION

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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COMPLIANCE WITH TEXAS GOVERNMENT CODE 2102.015

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 the 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 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 2018.

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.

FISCAL YEAR 2018 AND 2019 AUDIT PLANS

The table includes audits on the fiscal year 2018 plan which were ongoing when the 2018 annual report was issued.

AUDIT No.	AUDIT/REPORT TITLE	STATUS	REPORT DATE	EXPLANATION FOR DEVIATION
1805	<i>Environmental Branch Hazardous Materials Storage</i> Facilities Division	Complete	10/30/18	N/A
1808	<i>Safe Prisons – PREA Coordination</i> Prison Rape Elimination Act Ombudsman Correctional Institutions Division Office of Inspector General	Complete	02/01/19	N/A
1809	<i>Livestock Operations</i> Manufacturing, Agribusiness, and Logistics Division	Complete	11/13/18	N/A
1810	<i>Seriously Mentally Ill Offenders</i> Correctional Institutions Division Health Services Division	Complete	02/20/19	N/A
1811	<i>Pre-parole Placement Investigations</i> Parole Division	Complete	05/28/19	N/A
1812	<i>Follow Up on The Criminal Justice Information System</i> Various Divisions	Complete	12/19/18	N/A
1813	<i>Financial Information</i> Windham School District	Complete	01/24/19	N/A
1814	<i>Project Management</i> Information Technology Division	Complete	04/15/19	N/A
1815	<i>Contract Oversight</i> Facilities Division	Complete	03/26/19	N/A
1816	<i>Vendor Payments</i> Business and Finance Division	Complete	04/17/19	N/A
1903	<i>Super-Intensive Supervision Program (SISP)</i> Parole Division	Complete	08/22/19	N/A
1904	<i>Volunteer Identification and Tracking</i> Rehabilitation Programs Division	Complete	08/22/19	N/A
1906	<i>Procurement Cards</i> Business and Finance Division	Complete	05/22/19	N/A
1907	<i>Pest Control</i> Manufacturing, Agribusiness and Logistics Division	Ongoing	N/A	N/A
1908	<i>Employee Time Records</i> Human Resources Division	Ongoing	N/A	N/A
1909	<i>Unit Activity Documentation</i> Correctional Institutions Division	Ongoing	N/A	N/A
1911	<i>Resource Application Control Facility (RACF)</i> Information Technology Division	Ongoing	N/A	N/A
1912	<i>Rehabilitation Tier Tracking and Placement</i> Rehabilitation Programs Division	Ongoing	N/A	N/A
1913	<i>Complaint Resolution</i> Health Services Division	Ongoing	N/A	N/A
1914	<i>Offender Food Procurement</i> Business and Finance Division	Ongoing	N/A	N/A
1915	<i>Access to Courts</i> Administrative Review and Risk Management Division	Ongoing	N/A	N/A

CONSULTING SERVICES AND NONAUDIT SERVICES COMPLETED

PROJECT NUMBER	REPORT DATE	NAME OF REPORT	OBJECTIVE(S)	OBSERVATIONS/RESULTS AND RECOMMENDATIONS
1818-04	11/15/18	Eastham Unit Farm Shop Recommendations	To assist the Office of Inspector General in investigative activities of the Eastham Unit Farm Shop.	We identified purchasing and inventory control practices that were inconsistent with agency policy and state purchasing rules. Recommendations centered on clarifying procedures and monitoring. Investigation activities resulted in referral to the Special Prosecution Unit for consideration of criminal charges related to three former employees.
1901	Ongoing	Correctional Officer Retention Consultation	To provide advice related to identifying and determining reasons for correctional officer turnover and developing recommendations for management consideration.	N/A
1902	N/A	Operational Review Consultation	To provide advice related to determining whether the review covers the most important areas and whether review methodology identifies areas in need of management action.	This project will continue through fiscal year 2020 as project number 2001.
1910	N/A	Parole Case File Movement Coordination Consultation	To provide advice regarding risks and internal control during joint efforts to image parole case files.	This project will continue through fiscal year 2020 as project number 2002.

EXTERNAL QUALITY ASSURANCE REVIEW

Texas Department of Criminal Justice – Internal Audit Division
External Quality Assurance Review – August 2019

Overall Opinion

Based on the information received and evaluated during this external quality assurance review, it is our opinion that the Texas Department of Criminal Justice Internal Audit Division receives a rating of **"Pass/Generally Conforms"** and is in compliance with the Institute of Internal Auditors (IIA) *International Standards for the Professional Practice of Internal Auditing* and Code of Ethics, the United States Government Accountability Office (GAO) *Government Auditing Standards*, and the Texas Internal Auditing Act (Texas Government Code, Chapter 2102). This opinion, which is the highest of the three possible ratings, means that policies, procedures, and practices are in place to implement the standards and requirements necessary for ensuring the independence, objectivity, and proficiency of the internal audit function.

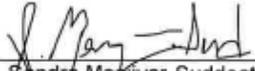
We found that the Internal Audit Division is independent, objective, and able to render impartial and unbiased judgments on the audit work performed. The staff members are qualified, proficient, and knowledgeable in the areas they audit. Individual audit projects are planned using risk assessment techniques; audit conclusions are supported in the working papers; and findings and recommendations are communicated clearly and concisely.

The Internal Audit Division is well managed internally. In addition, the Department has effective relationships with the Board and is well respected and supported by management. Surveys and interviews conducted during the quality assurance review indicate that management considers Internal Audit a useful part of the overall agency operations and finds that the audit process and report recommendations add value and help improve the agency's operations.

The Internal Audit Division has reviewed the results of the peer review team's work and has accepted them to be an accurate representation of the Department's operations.

Acknowledgements

We appreciate the courtesy and cooperation extended to us by the Internal Audit Director, Internal Audit staff, the Chairman and the Audit and Review Committee Chairman of the Board, the Executive Director, and the senior managers who participated in the interview process. We would also like to thank each person who completed surveys for the quality assurance review. The feedback from the surveys and the interviews provided valuable information regarding the operations of the Internal Audit Division and its relationship with management.


Sandra Mejivar-Suddeath
Director of Internal Audit
Texas Department of Motor
Vehicles
SAIAF Peer Review Team Leader

09/09/2019

Date



Eleazar Garcia

Chief Auditor

Texas Juvenile Justice Department
SAIAF Peer Review Team Member

9/9/19

Date

FISCAL YEAR 2020 AUDIT PLAN

The following table is our Fiscal Year 2020 Annual Audit Plan as presented to, and approved by, the Texas Board of Criminal Justice on August 21, 2019.

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. 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.

I. Purpose

The Internal Audit Division’s methodology for developing an annual risk-based audit plan. The framework described within this manual is based on the Committee of Sponsoring Organization’s *Integrated Framework* and the Government Accountability Office’s *Assessing Internal Controls in Performance Audits* (Publication OP-4.14).

II. Procedures

A. Identification of the Audit Universe

The Audit Universe is a list of all auditable activities. The audit universe is based on organizational charts, but activities may be identified through other sources. These sources are reviewed on an ongoing basis to ensure the universe is complete and accurate and may include the following:

1. Agency Strategic Plan;
2. Agency Budget;
3. Management Presentations at board meetings;
4. Policy and Procedure manuals;
5. Input from Management;
6. Legislative Implementation Plans; and,
7. Fraud Self-Assessment, Continuity of Operations, and Enterprise Risk Management exercises.

B. Quantifying Risk and Exposures

The audit universe is monitored on an ongoing basis. As events occur that potentially impact the risk associated with a specific auditable activity, the activity is scored or re-scored using the following framework:

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1. Impact is the extent to which a risk event might affect the enterprise. Impact is presented in terms of the three COSO objectives and is weighted as 30% of overall ranking. The three components will provide a score reflecting impact risk.

The framework sets forth three categories of objectives, which allow organizations to focus on separate aspects of internal control. These distinct but overlapping categories (a particular objective can fall under more than one category) address different needs and may be the direct responsibility of different individuals. The three categories can also indicate what is to be expected of internal control. When scoring, the auditor should be cognizant of inherent risk associated with the subject matter. This scoring should **not** take into consideration knowledge the auditor may have of internal control in the area.

These objectives include and have been weighted in COSO objectives scoring as follows (staff may also use 2 or 4 to indicate judgement between the set categories):

30% Reporting Objectives: Pertain to internal and external financial and nonfinancial reporting and may encompass reliability, timeliness, transparency, or other terms as set forth by regulators, standard setters, or the entity's policies.

- 5 Should be given if the reporting is to external entities such as the federal government, governor's office, legislature, Comptroller of Public Accounts, or State Auditor's Office. In addition, should be given if internal reporting may cause management to make poor decisions that would be severe in terms of impact on the agency mission.
- 3 Given in cases in which internal reporting may cause poor decisions with a moderate impact on operations.
- 1 No reporting or little impact on operations.

45% Operational Objectives: Pertain to the effectiveness and efficiency of the entity's operations, including operational and financial performance goals and safeguarding assets against loss.

- 5 Deficiencies would have a significant impact on operations. For example, the operational objective is directly related to human safety and/or secure operation of facilities.
- 3 Deficiencies would have a moderate impact on operations. The operational objective is not related to human safety and/or secure operations of facilities and/or serves a support role.
- 1 Deficiencies would have a limited impact on operations. Minor supporting role.

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25% **Compliance Objectives:** Pertain to adherence to laws and regulations to which the entity is subject.

5 Mandate in federal or state law, Texas Administrative Code, Board Policy, or a significant Executive Directive.

3 Mandate is found in agency Administrative Directives and/or significant operating procedures (e.g. Security Memorandums, operational plans, etc.).

1 Departmental procedures not directly tied to higher level mandates.

2. Likelihood is the possibility that a given event or consequence will occur. Measuring likelihood includes consideration of the application of control activities and is indicative of residual risk: Weighted as 70% of overall ranking.

40% **Control Environment:** The control environment is the set of standards, processes and structures that provide the basis for carrying out internal control across the organization. The board of directors and senior management establish the tone at the top regarding the importance of internal control and expected standards of conduct. There are five principles relating to Control Environment:

- a. The organization demonstrates a commitment to integrity and ethical values.
- b. The board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control.
- c. Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.
- d. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.
- e. The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives.

The auditor should consider all of the above factors and any other knowledge about the control environment and use their respective judgment to score between 1 (strong environment) and 5 (weak environment).

25% **Process Complexity:** Indicates the degree to which processes are difficult to perform and require a high degree of specialized knowledge and capability.

5 The process is very complex and requires a high degree of staff capability, knowledge etc.

3 The process is complex and requires a moderate level of capability and knowledge.

1 Not complex and does not require a great deal of capability and knowledge.

20% **Historical Problems:** Indicates the degree to which problems within the function are known to the auditors. This may include, but not be limited to, red flags, past

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performance, legislative inquiry, negative media, etc.

5 Problems are known to be significant and to have occurred within two years. Poor performance found in prior audits. Negative, recent interaction with legislature and/or media. Negative State Auditor's Office reports have been issued. Recent red flags exist.

3 Moderate problems are known or problems occurred longer than two years ago. Problems may have occurred but there is evidence of corrective action.

1 Minor problems or no known issues exist.

15% **Degree of Change:** This factor is used to evaluate turnover in key positions and/or changes in operational responsibilities, and organizational realignments.

5 High turnover in key positions, assignment of operational responsibilities not previously conducted, significant organizational restructuring.

3 Moderate turnover in key positions, assignment of operational responsibilities not previously conducted but within the realm of experience of the area, minor organizational restructuring.

1 Stable.

III. Developing Audit Objectives

The Internal Audit Division must assess and make appropriate recommendations for improving governance, risk management, and control processes within the agency. Recommendations are derived from audit objectives identified during audit plan development.

Audit objectives are designed to assess the risk identified during plan development. Risk is defined as the possibility of an event occurring that will have an impact on the achievement of objectives. The effect of these risks on the organization can be categorized as a failure to ensure:

- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations and programs;
- Safeguarding of assets; and,
- Compliance with policies, plans, procedures, laws, regulations, policies, procedures, and contracts.

Key audit objectives are usually to provide senior management and the board with assurance and information to help them accomplish the organization's objectives. To support these objectives audit recommendations may:

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- Promote appropriate ethics and values;
- Ensure effective organizational performance management and accountability;
- Ensure organizational objectives support and align with the agency’s mission; or,
- Promote continuous improvement in the internal control system.

IV. Overall Risk Assessment

Overall risk assessment is determined by summing all risk factor scores and applying the scoring guidelines to determine low, moderate, or high risk. Due to the maturity of management processes in place, we do not automatically quantify an auditable activity as “high risk”. Instead we evaluate the audit universe on an ongoing basis and assign the top third as being of higher risk.

V. Input from Senior Management and the Texas Board of Criminal Justice

Input to the annual audit plan is formally solicited from senior management and the Texas Board of Criminal Justice. This solicitation includes a request being sent to the Board for their input. In addition, a series of meetings with Division Directors (and their staff, if present) to discuss the Catalog of Auditable Activities will result in an email (with attachments if necessary) being sent to the Division Director confirming any planned audits in their division. This communication will be the method used to document the discussions with Division Directors as to the level of risk associated with the identified activities.

Audit requests by a single person will be given a score of 1, with points being added for each successive request in the same area. Scores will be added to pre-request scoring outcomes and weighted as follows:

- 20% Desire communicated by a Department head within auditable activity;
- 30% Desire communicated by Division Director; or a Board of Pardons and Paroles member; or,
- 50% Desire communicated by TBCJ member, TDCJ Executive or Deputy Executive Director, or SAO requests a joint audit.

VI. Legislative Mandate

Based on a legislative mandate an audit will be scheduled.

VII. Auditor Judgment

Activities with the highest scores will be reviewed for inclusion on the proposed Annual Audit Plan, identification for continued monitoring and consideration in future audit periods, or an adjustment in score to a more appropriate relative ranking. This review will consider such factors as:

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- the availability of audit staff with the requisite knowledge, skills, and disciplines;
- time frames for implementation of remedial actions as a result of prior audits;
- reorganizations;
- extent and frequency of audits in the area;
- the score of an activity relative to the scores of other activities; or,
- the potential to obtain operating benefits from the audit.

This review will also consider potential cyclical audits of areas with high inherent risk but low residual risk.

VIII. Communication and Approval

Subsequent to the compilation of the requests by the various Division Directors and the risks identified by Audit Management judgment, a proposed Annual Audit Plan will be prepared and reviewed with the Executive Director and the Deputy Executive Director to solicit their input. Subsequent to those discussions the Annual Audit Plan will be submitted to the Board Office by their established deadline. Once submitted, it will be reviewed with the Chairman, and afterwards submitted to the full Board by the Board Office to allow for their review and submission of questions in advance of the meeting of the Audit and Review Committee.

In addition, a meeting with the State Auditor's Office risk assessment team is conducted to ensure duplication of efforts is minimized and audit work is coordinated.

The proposed Annual Audit Plan is presented to the Audit and Review Committee of the Texas Board of Criminal Justice at the board meeting prior to the start of the fiscal year; typically in August. The presentation to the Audit and Review Committee should include a discussion of the potential for completion of the proposed Annual Audit Plan and a discussion of resource requirements. In addition, higher risks that are not likely to be covered by the plan should be discussed to ensure the committee is aware of the activities that will not be audited.

Typically, the approval of the Annual Audit Plan and the associated risk assessment incorporates a provision allowing the Director of Internal Audit to perform work outside the audit plan if the changes are merited in the judgment of the Internal Audit Director and the deviations are based on an updated risk analysis and documented as required by the Act.

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PROJECT NUMBER	PROJECT TITLE, DIVISION(S) & PROJECT HOURS	JUSTIFICATION	OBJECTIVE
2001	<p>Operational Review Consultation</p> <p><i>Administrative Review and Risk Management Division</i></p> <p>Project Hours: As needed.</p>	<p>The concept of self-auditing began within the Texas Department of Corrections in 1984, with the establishment of the Office of Compliance in response to monitor reports regarding specific functional areas prepared by the Special Master of the Ruiz case. When the final Ruiz case judgment was issued in December of 1992, this function was renamed Operational Review and expanded to monitor and determine policy compliance with all aspects of unit level operations.</p> <p>Currently, the Operational Review program utilizes 34 functional area checklists consisting of questions developed by each proponent to conduct unit, division, and division level follow-up compliance reviews of operations on both TDCJ and privately operated units. We will assist management by providing non-audit advisory services during agency efforts to revise methodologies related to the division level compliance review. This would include providing advice related to determining whether the review covers the most important areas and whether review methodology identifies areas in need of management action.</p> <p>This project was included on our fiscal year 2019 audit plan as consultation (1902). This consultation project remains ongoing.</p>	<p>To provide advice related to determining whether the review covers the most important areas and whether review methodology identifies areas in need of management action.</p>
2002	<p>Parole Case File Consultation</p> <p><i>Board of Pardons and Paroles</i></p> <p><i>Parole Division</i></p>	<p>A parole case file is a physical parole file created and maintained for each parole eligible offender until the offender discharges the Texas Department of Criminal Justice’s supervision. These files contain important information and documentation for use by various entities making offender parole supervision decisions. Requested parole case files are boxed, transported, and delivered throughout the state via truck mail couriers, hand delivery, and commercial or U.S. Postal Service mail.</p>	<p>To provide advice regarding risks and internal controls during joint efforts to image parole case files.</p>

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PROJECT NUMBER	PROJECT TITLE, DIVISION(S) & PROJECT HOURS	JUSTIFICATION	OBJECTIVE
	<p><i>Executive Administrative Services</i></p> <p><i>Information Technology Division</i></p> <p>Project Hours: As needed.</p>	<p>To address the ongoing transition of physical paper records to electronic records using new and evolving information technologies, the TDCJ created the Records Management Department. The first priority of the department is to digitize approximately 173,000 parole case files utilizing a streamlined method of scanning and indexing currently managed by the Central File Coordination Unit of the Parole Division. The TDCJ and Board of Pardons and Paroles requested we serve as consultants to this project and provide advice related to risks and internal controls.</p> <p>This project was included on our fiscal year 2019 audit plan as consultation (1910). This consultation project remains ongoing.</p>	
2003	<p>Corrections Information Technology System Consultation</p> <p><i>Information Technology Division</i></p> <p>Project Hours: As needed.</p> <p>(This project addresses contracting.)</p>	<p>According to the Information Technology Division, the TDCJ’s legacy mainframe system is more than 40 years old, costs the agency approximately \$450 thousand per month, and does not interface with current technology. Fifty percent of the Information Technology Division’s programming time is spent on mainframe system maintenance using antiquated programming language no longer taught in the profession.</p> <p>At the close of the 86th Legislative Session, the TDCJ was appropriated \$24.2 million in funding for fiscal years 2020 and 2021 to modernize the current legacy mainframe system. The new cloud based Corrections Information Technology System (CITS) will replace 41 legacy applications, 96 stand-alone Access databases, and will integrate business intelligence applications such as digital dashboards, data analytics, and ad-hoc reporting.</p> <p>We will assist management by providing non-audit advisory services during agency efforts to purchase and implement the new system.</p>	<p>To provide advice regarding risks and internal controls during efforts to implement the Corrections Information Technology System.</p>

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PROJECT NUMBER	PROJECT TITLE, DIVISION(S) & PROJECT HOURS	JUSTIFICATION	OBJECTIVE
2004	<p>Public Funds Investment</p> <p><i>Business and Finance Division</i></p> <p><i>Windham School District</i></p> <p>Project Hours: 492</p>	<p>The Texas Department of Criminal Justice operates an account system of offenders' money. This money is held in trust for offender use while incarcerated. In total, these trust funds have historically averaged approximately \$20 million which the agency invests in short-term, liquid investments. The Windham School District operates 12 months a year, but is 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. Therefore, as in prior years, we have included this audit in our proposed plan.</p>	<p>To determine whether the Texas Department of Criminal Justice and the Windham School District are in compliance with the Public Funds Investment Act.</p>
2005	<p>Employee Clearances</p> <p><i>Human Resources Division</i></p> <p>Project Hours: 1968</p>	<p>The TDCJ employs more than 36,000 employees within approximately 268 job classification categories. Before a conditional offer of employment is made, the Human Resources Division's Employment Section conducts clearances of selected applicants to ensure eligibility for agency, contract, volunteer, and select vendor positions, as well as retirees.</p> <p>The clearance process varies depending on the nature of the position and whether the selected applicant is currently employed by the TDCJ, an outside applicant, or has retired from a state agency. The clearance process includes a review of application documents for completeness and eligibility, a criminal record check to determine whether the applicant has any pending criminal charges or prior criminal convictions, a review for prior positive illegal substance test results, and a review of ERS retirees to ensure separation from employment is in accordance with the required time period</p>	<p>To evaluate the efficiency of clearing selected applicants for employment.</p>

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PROJECT NUMBER	PROJECT TITLE, DIVISION(S) & PROJECT HOURS	JUSTIFICATION	OBJECTIVE
		<p>for the position. For selected applicants currently employed by TDCJ, a review is conducted to ensure the applicant is not currently on disciplinary probation. Subject to the position, a criminal record check may be performed to determine whether the applicant has any pending criminal charges or prior criminal convictions.</p> <p>For fiscal year 2018, the Human Resources Division reported the Selections and Clearances section processed a total of 20,503 clearance requests associated with agency applicants (4,343), volunteers (5,248), contract medical (4,036), private facilities (3,414), contract facilities maintenance (520), and contract agribusiness (2,942).</p>	
2006	<p>Warrants Section</p> <p><i>Parole Division</i></p> <p>Project Hours: 1968</p>	<p>Texas Government Code Chapter 508, authorizes the Parole Division director or a designated agent to issue a warrant if an offender is erroneously released, arrested for a new offense, in violation of a rule or condition of release, or considered a danger to society based upon reliable evidence that requires an immediate return to custody. As such, the Parole Division Warrants Section is responsible for the issuance, modification, confirmation, and withdrawal of pre-revocation warrants.</p> <p>The warrant process begins upon submission of a violation report by a parole officer and approval by a parole unit supervisor or receipt of an electronic monitoring alert alleging an offender violated the terms of parole or mandatory supervision. Upon receipt of a notice of violation, staff at the Command Center (or at a District Parole Office) review the violation to determine if warrant issuance is necessary. If a warrant is issued, TLETS staff may subsequently supplement offender information in a warrant modification to aid in the apprehension of an offender. The warrant remains active until a confirmation request is received from a local law enforcement agency prior to executing a warrant and taking an offender into custody. A</p>	<p>To evaluate the effectiveness of processes to issue warrants within required timeframes.</p>

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PROJECT NUMBER	PROJECT TITLE, DIVISION(S) & PROJECT HOURS	JUSTIFICATION	OBJECTIVE
		warrant may also be withdrawn by the Parole Division at any time before the setting of a revocation hearing continuing the offender's supervision.	
2007	<p>Security Equipment</p> <p><i>Correctional Institutions Division</i></p> <p><i>Information Technology Division</i></p> <p>Project Hours: 2460</p>	<p>Security Operations provides technical assistance and operational support to Correctional Institutions Division administration and correctional facilities in the areas of staffing, video surveillance, armory, research and technology, budget, security review, and field and canine operations.</p> <p>All agency correctional facilities and training locations maintain an armory operation. These operations are responsible, at the local level, for ensuring adequate supplies of necessary security equipment are available and maintained in proper working condition. Security related equipment includes items such as chemical agents and delivery systems, restraint equipment, protective gear, recording and viewing equipment, firearms and ammunition, and communication equipment. Other related security equipment used to detect the introduction of contraband into correctional facilities and aid in its confiscation includes body-orifice scanning chairs, walk-through and hand held metal detectors, and parcel scanners.</p>	To determine whether correctional units are allotted adequate inventories of security equipment and the equipment is effectively maintained.
2008	<p>Social Media Governance</p> <p><i>Executive Administrative Services</i></p> <p>Project Hours: 984</p>	<p>Social Media technology facilitates the sharing of thoughts, ideas, and information through the building of virtual networks and communities. Originally designed to communicate and share content such as personal information, photos, and videos with family and friends, social media has now become an influential tool used in business and government to communicate simultaneously with customers, constituents, and employees throughout the world.</p> <p>As such, the TDCJ has adopted the use of social media to communicate and</p>	To evaluate the effectiveness of processes to inform, direct, manage, and monitor social media content.

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PROJECT NUMBER	PROJECT TITLE, DIVISION(S) & PROJECT HOURS	JUSTIFICATION	OBJECTIVE
		share agency information with its employees and the public. The Communications Department provides management and oversight of the agency's 19 social media channels and content.	
2009	<p>Employment Services</p> <p><i>Reentry and Integration Division</i></p> <p>Project Hours: 1968</p>	<p>Obtaining sustainable employment with living wages is a significant barrier offenders experience after release from prison. To prepare offenders for a successful return to the community, the Reentry and Integration Division provides a three-phased reentry program. The third phase, Community Reentry Services, provides post-release individual case management, employment readiness training, and employment services with an emphasis on assisting the formerly incarcerated with obtaining sustainable employment.</p> <p>Employment service efforts include hosting job fairs; leveraging technology such as social media and the Website for Work to match qualified released offenders with employers; and, partnering with local community service providers offering job skills training such as basic computing skills, completing employment applications, resume writing, interviewing, and dressing for success.</p> <p>Management requested this audit.</p>	To determine the effectiveness of efforts to assist parole supervision clients in obtaining appropriate and sustainable employment.
2010	<p>OIG Information System Security</p> <p><i>Office of Inspector General</i></p> <p>Project Hours: 1476</p>	As the investigative and law enforcement entity for the Texas Department of Criminal Justice, the Office of the Inspector General investigates allegations of misconduct or criminal violations by agency employees, criminal violations occurring on agency property, and allegations of excessive or unnecessary use of force. As such, identifying, classifying, and safeguarding information resources is critical to the success of the Office of	To evaluate the Office of the Inspector General's compliance with Chapter 202 of the Texas Administrative Code.

FISCAL YEAR 2020 AUDIT PLAN

PROJECT NUMBER	PROJECT TITLE, DIVISION(S) & PROJECT HOURS	JUSTIFICATION	OBJECTIVE
		<p>the Inspector General’s investigatory processes.</p> <p>To provide guidance to agencies in mitigating systems security risks, the Texas Department of Information Resources developed and published information security standards 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. Chapter 202 further identifies owners, custodians, and users of information resources and defines responsibilities for the classification and protection of these information resources.</p>	
2011	<p>AD - 10.20 Program</p> <p><i>Facilities Division</i></p> <p>Project Hours: 3280</p>	<p>Identifying and reporting deficiencies to ensure facilities are maintained in proper operating order is the responsibility of every TDCJ employee. The Administrative Directive (AD) - 10.20 Program is a standardized facility deficiency detection and reporting process which is system wide and involves coordination and cooperation across multiple divisions. Employees are designated by department heads as the AD-10.20 representative responsible for deficiency detection within all department areas.</p> <p>Using a daily inspection log, representatives for each area of responsibility conduct an inspection and record all deficiencies or safety and health hazards. Self-help issues (e.g. burned-out light bulbs and clogged toilets, drains and sinks, etc.) are identified, corrected, and documented by these representatives. All other identified deficiencies requiring repair are forwarded to the unit maintenance department for work order issuance and prioritization.</p>	<p>To determine the effectiveness of the AD – 10.20 Program.</p>

FISCAL YEAR 2020 AUDIT PLAN

PROJECT NUMBER	PROJECT TITLE, DIVISION(S) & PROJECT HOURS	JUSTIFICATION	OBJECTIVE
2012	<p>SAFPP/ISF Placements</p> <p><i>Community Justice Assistance Division</i></p> <p>Project Hours: 1968</p>	<p>The Continuum of Care for Substance Abuse Treatment is a statewide intervention model for offenders on community supervision who have substance abuse problems. As alternatives to incarceration, substance abuse treatment intervention options include the use of secure Intermediate Sanction Facilities (ISF) and Substance Abuse Felony Punishment Facilities (SAFPP).</p> <p>The Community Justice Assistance Division’s Field Services, in coordination with local Community Supervision and Corrections Departments, place eligible offenders into these facilities for substance abuse treatment. Offenders assessed as medium to high risk are placed in an ISF for substance abuse treatment up to 90 days. Offenders assessed as high risk or have a history of treatment failure are placed in a SAFPP for a six month substance abuse treatment program.</p> <p>Management requested this audit.</p>	<p>To evaluate the efficiency of processes to identify and place offenders in Substance Abuse Felony Punishment and Intermediate Sanction Facilities.</p>
2013	<p>Unit Schedules</p> <p><i>Correctional Institutions Division</i></p> <p>Project Hours: 2624</p>	<p>Unit schedules are required to facilitate the management of both security and offender activities throughout 104 correctional facilities. Developing and following unit schedules involves coordination and cooperation across multiple divisions. Examples of scheduled unit activities include offender meals, showers and necessities exchange, recreation, commissary, education, healthcare appointments, and religious programs, as well as, various offender workforce turnouts to maintain and operate the facility.</p> <p>The development of unit schedules requires the organization, optimization, and prioritization of unit activities within available timeframes while also ensuring a sufficient number of security staff are available to supervise the offender population.</p>	<p>To evaluate the effectiveness of aligning unit schedules with available security resources.</p>

FISCAL YEAR 2020 AUDIT PLAN

PROJECT NUMBER	PROJECT TITLE, DIVISION(S) & PROJECT HOURS	JUSTIFICATION	OBJECTIVE
2014	<p>Program Referrals</p> <p><i>Parole Division</i></p> <p>Project Hours: 1968</p>	<p>Offenders released on parole or mandatory supervision may have special conditions imposed by a parole panel requiring program participation and completion as a condition of their supervision. Program referrals may also be made by the supervising parole officer should specific needs be identified to assist the offender’s reintegration within the community. Examples of these programs include anger control training and counseling, cognitive skills and parenting classes, battering intervention and prevention programming and domestic violence counseling, basic educational and vocational training, sex offender treatment and counseling, substance abuse treatment and counseling, substance abuse recovery support groups, special needs offender programming, and employment assistance and training.</p> <p>Identifying, referring, and enrolling offenders into these programs is completed by the supervising parole officer during the offender’s initial office visit or no later than five business days after the offender’s initial report day or special condition imposition.</p> <p>Management requested this audit.</p>	<p>To determine the effectiveness of the processes to identify Parole Division clients for programs and make appropriate referrals.</p>
2015	<p>Action Plan Follow Up and Tracking</p> <p><i>Internal Audit Division</i></p> <p>Project Hours: As needed.</p>	<p>We track implementation of audit recommendation action plans on an ongoing basis and determine if or when implementation verification is required. Based on our assessment, we perform audit follow up review and/or testing, as needed. This project encompasses our efforts for the review and tracking of those audit recommendations and their implementation status.</p>	<p>To determine the status of implementation for audit recommendations.</p>

FISCAL YEAR 2020 AUDIT PLAN

PROJECT NUMBER	PROJECT TITLE, DIVISION(S) & PROJECT HOURS	JUSTIFICATION	OBJECTIVE
2016	Various Walk Throughs <i>Internal Audit Division</i> Project Hours: As needed.	Conducting walk throughs of functional areas enables the Internal Audit Division to update our risk analysis on a regular basis and ensures attention to those areas of the agency that would not otherwise be reviewed.	To assist in the development of future audit plans by increasing our knowledge of unaudited areas of the agency.

EXTERNAL AUDIT SERVICES

The TDCJ, through delegated authority from the State Auditor's Office, contract an outside vendor for audits of compliance with the Prison Rape Elimination Act. The Internal Audit Division did not use any external audit services during fiscal year 2019.

REPORTING SUSPECTED FRAUD AND ABUSE

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, the 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, the 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

REPORTING SUSPECTED FRAUD AND ABUSE

- (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.

TEXAS GOVERNMENT CODE 2102.015 (D) AND (E) UPDATE

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, 2018 and August 31, 2019.

TEXAS GOVERNMENT CODE 2102.015 UPDATE

AUDIT	FINDINGS AND RECOMMENDATIONS	ACTIONS TAKEN AS OF 08/31/19
<p>Audit 1805</p> <p><i>Environmental Branch - Hazardous Materials Storage</i></p> <p>Facilities Division</p> <p>Report Date: 10/30/18</p>	<p>Finding: Hazardous materials were generally safeguarded; however, inventory and storage procedures should be standardized.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Executive management should designate a centralized authority for monitoring inventory and storage of hazardous materials. 2. Subsequent to designating the authority for monitoring inventory and storage of hazardous materials, executive management should develop standardized methodology for inventory and storage of hazardous materials to include method and frequency of inventory counts, standardized documentation, monitoring, adjustment procedures, disposal of unusable materials, etc. 	<p>Management submitted action plans consistent with the recommendations made in this report. Actions are reported as complete.</p>
<p>Audit 1808</p> <p><i>Safe Prisons – PREA Coordination</i></p> <p>Prison Rape Elimination Act Ombudsman Correctional Institutions Division Office of the Inspector General</p> <p>Report Date: 02/01/19</p>	<p>Finding: Business processes related to safe prison related complaints were not efficient.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Agency management should consider consolidating safe prisons complaint resolution activities under the responsibility of a single entity. 2. Management should ensure the information system being developed creates a single record for use in tracking and investigating safe prisons related complaints and should, to the extent possible, ensure the system addresses the issues identified in this report. 3. Management should develop a mechanism to ensure all persons eligible to conduct a safe prisons related investigation have received the most recent training course. 	<p>Management submitted action plans consistent with the recommendations made in this report. Actions are reported as ongoing with full implementation by January 2020.</p>
<p>Audit 1809</p> <p><i>Livestock Operations</i></p>	<p>Finding: Livestock inventory information was reliable.</p> <p>Recommendation: Manufacturing, Agribusiness, and Logistics management</p>	<p>Management submitted action plans consistent with the recommendations made in this</p>

TEXAS GOVERNMENT CODE 2102.015 UPDATE

AUDIT	FINDINGS AND RECOMMENDATIONS	ACTIONS TAKEN AS OF 08/31/19
Manufacturing, Agribusiness, and Logistics Division Report Date: 11/12/18	should research, establish, and monitor a percentage of loss at which additional investigation should occur.	report. Actions are reported as complete.
Audit 1810 <i>Seriously Mentally Ill Offenders</i> Health Services Division Report Date: 02/20/19	<p>Finding: Procedures for screening offenders referred for placement in the Mental Health Therapeutic Diversion Program and review of offenders who successfully completed or were discharged from the program could be improved.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Health Services Division and Correctional Institutions Division management should agree upon and document a standard set of criteria for program placement. 2. Health Services Division and Correctional Institutions Division management should agree upon and document protocols for placing offenders in programs when either discharging from or completing the Mental Health Therapeutic Diversion Program. This should include provisions for reenrolling offenders in the program, if necessary. 3. Correctional Institutions Division management should work with the Health Services Division to develop and implement provisions for tracking offenders who have completed the Mental Health Therapeutic Diversion Program. This should include: developing procedures for returning an offender to the program or suitable alternative when their behavior is declining; documenting tracking procedures within the appropriate policy; and, filling the vacant mental health services liaison position. 	Management submitted action plans consistent with the recommendations made in this report. Actions are reported as complete.
Audit 1811 <i>Pre-release Placement Investigations</i> Parole Division	<p>Finding: Efficiency of completing pre-release placement investigations could be improved through standardization of forms, consistent implementation of policy, and enhanced monitoring.</p> <p>Recommendations:</p>	Management submitted action plans consistent with the recommendations made in this report. Actions are reported as complete.

TEXAS GOVERNMENT CODE 2102.015 UPDATE

AUDIT	FINDINGS AND RECOMMENDATIONS	ACTIONS TAKEN AS OF 08/31/19
<p>Report Date: 05/28/19</p>	<ol style="list-style-type: none"> 1. Parole Division management should review and update required forms to document all steps and approvals required by policy. Documentation should, at a minimum, include: whether a face-to-face visit was conducted; whether alternate plans were considered prior to failure of a plan; whether required documents were completed by the officer and/or the sponsor; and, supervisor approval of a plan failure. 2. Parole Division management should enhance monitoring to include completeness of documents and ensuring all required investigation steps were completed. 3. Parole Division management should evaluate timeframes (i.e. the informal 48 hour requirement) for completing an investigation and ensure parole officers are aware of the established timeframe. 	
<p>Audit 1812</p> <p><i>The Criminal Justice Information System</i></p> <p>Executive Administrative Services Information Technology Division Correctional Institutions Division Community Justice Assistance Division</p> <p>Report Date: 12/19/18</p>	<p>We completed our follow-up audit and found management took steps to implement corrective action recommended by the State Auditor’s Office. Specifically, of the 13 recommendations: one was fully implemented; six were substantially implemented; five were incomplete/ongoing; and, management took an alternate action for one.</p>	<p>Management submitted action plans in response to all of the additional actions needed noted in this report. Actions are reported as ongoing with full implementation by January 2020.</p>
<p>Audit 1813</p> <p><i>Financial Information</i></p> <p>Windham School District</p> <p>Report Date: 01/24/19</p>	<p>It was our opinion Windham School District financial information was reliable. We made no recommendations.</p>	<p>N/A</p>

TEXAS GOVERNMENT CODE 2102.015 UPDATE

AUDIT	FINDINGS AND RECOMMENDATIONS	ACTIONS TAKEN AS OF 08/31/19
<p>Audit 1814</p> <p><i>Project Management</i></p> <p>Information Technology Division</p> <p>Report Date: 04/15/19</p>	<p>Finding: Effectiveness of the agency’s information technology project management functions could be improved.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Information Technology Division management should follow processes to classify requests for information technology services. 2. Information Technology Division management should take steps to enhance communication with divisions requesting projects. 3. Information Technology Division management should track the total resource hours allocated to each project for all Information Technology Division staff, establish due dates for projects, and implement a process to monitor timeliness of project completion. 4. Information Technology Division management should ensure all documentation is appropriately maintained. 	<p>Management submitted action plans consistent with the recommendations made in this report. Actions are reported as ongoing with full implementation by November 2019.</p>
<p>Audit 1815</p> <p><i>Contract Oversight</i></p> <p>Facilities Division</p> <p>Report Date: 03/26/19</p>	<p>Efforts were effective to ensure vendor performance met contract requirements. We made no recommendations.</p>	<p>N/A</p>
<p>Audit 1816</p> <p><i>Vendor Payments</i></p> <p>Business and Finance Division</p> <p>Report Date: 04/17/19</p>	<p>Finding: Vendor payments were appropriate.</p> <p>Recommendation: Management should consider developing a process to require the Disclosure of Potential Conflicts of Interest form when employees are granted user access to the purchasing system.</p>	<p>Management submitted action plans consistent with the recommendations made in this report. Actions are reported as complete.</p>

TEXAS GOVERNMENT CODE 2102.015 UPDATE

AUDIT	FINDINGS AND RECOMMENDATIONS	ACTIONS TAKEN AS OF 08/31/19
<p>Audit 1903</p> <p><i>Super-Intensive Supervision Program</i></p> <p>Parole Division</p> <p>Report Date: 08/22/19</p>	<p>Findings:</p> <ol style="list-style-type: none"> 1. While Parole Officers reviewed Global Positioning Data for Super-Intensive Supervision clients, the time spent reviewing was not always sufficient to identify deviations from approved schedules. 2. Parole Officers did not always document clearing of alerts with all required components. 3. Parole Officers did not identify when clients deviated from their approved daily schedules. <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Management should consider consolidating technical SISIP activities into a single administrative section responsible for coordination and oversight of: <ul style="list-style-type: none"> • Setting up GPS parameters, as appropriate, for each client to include inclusion and exclusion zones, weekly schedules, etc.; • Daily review of client GPS position data; and, • Coordinating resolution of alerts with field supervision officers. 2. In the event activities are not consolidated, Parole Division management should develop additional monitoring activities to ensure officers are diligently completing required tasks. 	<p>Management submitted action plans consistent with the recommendations made in this report. Actions are reported as ongoing with full implementation by September 2019.</p>
<p>Audit 1904</p> <p><i>Volunteer Identification and Tracking</i></p> <p>Rehabilitation Programs Division</p> <p>Report Date: 08/22/19</p>	<p>Findings:</p> <ol style="list-style-type: none"> 1. Unit level documentation was not always completed as required to support volunteers entering facilities had prior approval. 2. Rehabilitation Programs Division management should reevaluate the need for multiple approvals for the same program and consider relying upon electronic authorizations to reduce paperwork. 	<p>Management submitted action plans consistent with the recommendations made in this report. Actions are reported as ongoing with full implementation by November 2019.</p>

TEXAS GOVERNMENT CODE 2102.015 UPDATE

AUDIT	FINDINGS AND RECOMMENDATIONS	ACTIONS TAKEN AS OF 08/31/19
	<p>3. Information was not sufficiently reliable to determine when a volunteer visited a unit.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Rehabilitation Programs Division management should coordinate with the Correctional Institutions Division and evaluate expectations related to identification of volunteers and determine whether the current accuracy rate is sufficient. If it is determined the accuracy rate is not sufficient, Rehabilitation Programs Division management should work with agency executive management and the Information Technology Division to consider implementing an electronic solution (e.g. badge reader). 2. Rehabilitation Programs Division management should reevaluate the need for multiple approvals for the same program and consider relying upon electronic authorizations to reduce paperwork. <p>Additional Observation: We believe management may need to evaluate business processes related to reporting volunteer participation numbers and encouraging volunteer participation.</p> <p>Recommendation: Management should consider clarifying future reporting of participating volunteers; researching causes for volunteers applying but not participating; encouraging a higher participation rate; and, requiring four visits before processing an application.</p>	
<p>Audit 1906</p> <p><i>Procurement Cards</i></p> <p>Business and Finance Division</p> <p>Report Date: 05/22/19</p>	<p>Finding: Cardholders and their direct-line supervisors were generally compliant with Administrative Directive 14.53.</p> <p>Recommendations:</p> <ol style="list-style-type: none"> 1. Business and Finance Division management should recommunicate and reinforce the importance of compliance with the requirements included in Administrative Directive 14.53 and the Procurement Card Manual. This should include, but not be limited to, the following: 	<p>Management submitted action plans consistent with the recommendations made in this report. Actions are reported as complete.</p>

TEXAS GOVERNMENT CODE 2102.015 UPDATE

AUDIT	FINDINGS AND RECOMMENDATIONS	ACTIONS TAKEN AS OF 08/31/19
	<ul style="list-style-type: none">• Splitting purchases to avoid the single transaction limit or other requirements;• Purchasing restricted items;• Utilizing term contracts and the agency Prison Store;• Completing supervisory reviews and reconciliations;• Maintaining cards in a secure location; and,• Replacing cards when cardholders transfer or are absent for an extended period of time. <p>2. Business and Finance Division management should consider combining the audits currently completed by the Contracts and Procurement department with the audits completed by the Accounting and Business Services department.</p>	