



Texas Board of Criminal Justice Internal Audit Division Audit Plan Modification Letter

November 18, 2020

To: Ms. Sarah Hicks, Governor's Office Budget and Policy Division
Mr. Christopher Mattsson, Legislative Budget Board
Ms. Lisa Collier, CPA, First Assistant State Auditor

Re: Modification to the Texas Board of Criminal Justice Internal Audit Plan for Fiscal Year 2021

Dear Ladies and Gentlemen,

Pursuant to the *State Auditor's Office Fiscal Year 2020 Guidelines for Submitting and Posting the Internal Audit Annual Report and Periodic Internal Audit Reports*, we are providing the attached modified Internal Audit Plan for Fiscal Year 2021. This change reflects the addition of one audit (2115) to the plan approved by the Texas Board of Criminal Justice on August 14, 2020.

The Texas Board of Criminal Justice will be advised of this modification during the December 2020 board meeting.

If you have any questions, please do not hesitate to call.

Sincerely,

A handwritten signature in blue ink, appearing to read "CCF", is positioned above the typed name of the Chief Audit Executive.

Chris Cirrito, CIA, CFE, CGAP
Chief Audit Executive
Texas Board of Criminal Justice
Internal Audit Division

Cc: TBCJ members
Bryan Collier, TDCJ Executive Director
David Gutierrez, Texas Board of Pardons and Paroles Chairman
Kristina Hartman, Windham School District Superintendent

Attachment

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
Chris Cirrito, CIA, CGAP, CFE, Director
www.tdcj.texas.gov



MODIFIED FISCAL YEAR 2021 ANNUAL AUDIT PLAN

Texas Board of Criminal Justice
Internal Audit Division

November 18, 2020

Chris Cirrito, CIA, CGAP, CFE
Renee Russell, CIA, CGAP
Kevin Campbell
Kristy Bailey, CGAP
Charlotte Jeffcoat, CGAP
Cheryl Foreman, JD, CIA

Director
Deputy Director – Audit Services
Deputy Director – Support Services
Audit Manager
Audit Manager
Audit Manager

PROJECT NUMBER	PROJECT TITLE, DIVISION(S) & PROJECT HOURS	JUSTIFICATION	OBJECTIVE
2101	<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 as 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 functional area proponent to conduct unit, division, and division level follow-up compliance reviews of unit-based operations on both TDCJ and privately operated units.</p> <p>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 2020 audit plan as consultation (2001). 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>
2102	<p>Parole Case File Consultation</p> <p><i>Board of Pardons and Paroles</i></p> <p><i>Parole Division</i></p> <p><i>Executive Administrative Services</i></p> <p><i>Information Technology 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 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</p>	<p>To provide advice regarding risks and internal controls during joint efforts to image parole case files.</p>

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	Project Hours: As needed.	<p>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 2020 audit plan as consultation (2002). This consultation project remains ongoing.</p>	
2103	<p>Data Management</p> <p><i>Information Technology Division</i></p> <p>Project Hours: 1,968</p>	<p>The Texas Department of Criminal Justice generates and stores large quantities of electronic data. Data storage is facilitated through contractual agreements with the Texas Department of Information Resources on a fee basis. As of June 2020, the Information Technology Division reported 241,075 gigabytes of data stored at a monthly cost of approximately \$87,800.</p> <p>In addition to costs associated with data storage, the agency is also responsible for managing data to ensure the data is available when needed and maintained in accordance with state and agency records retention requirements.</p>	To determine the effectiveness of processes to ensure agency data is available, retained for the appropriate period, and stored at the minimum cost necessary for the specific data set.
2104	<p>Workforce Diversity</p> <p><i>Human Resources Division</i></p> <p>Project Hours: 2,624</p>	<p>Personnel Directive – 10, <i>Workforce Diversity</i>, establishes that the TDCJ recognizes diversity as one of the agency’s greatest strengths by enhancing its ability to accomplish the agency’s mission and enriching employees both professionally and personally. The directive further acknowledges agency goals to:</p> <ul style="list-style-type: none"> • Create a positive environment that promotes personal and professional development and attracts new talent; • Promote policies, programs, and procedures that value diversity and individual dignity; • Encourage education about diversity, the development of supportive workplace relationships with others, and leading by example when making decisions related to the workplace; • Remove barriers hindering progress; and, • Develop leadership that empowers all employees to reach their full potential while contributing to the agency’s mission. 	To evaluate the effectiveness of agency efforts to achieve the goals listed in Personnel Directive - 10.

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		<p>To assist in the achievement of these goals, the agency organized the Human Resources Division Employee Relations department to proactively maintain and enhance a positive working environment for employees. Through interdepartmental coordination, the Employee Relations department is tasked with offering: empowerment for the employee, support for administration, and fact-based responses and recommendations consistent with the agency's policies.</p>	
<p>2105</p>	<p>License Plate Factory</p> <p><i>Manufacturing, Agribusiness, and Logistics Division</i></p> <p><i>Texas Department of Motor Vehicles</i></p> <p>Project Hours: 1,476</p>	<p>Texas Correctional Industries is responsible for manufacturing vehicle license plates in the State of Texas. Original license plate production began at the Huntsville Unit in 1935 and relocated to the Wynne Unit in 1975. Through an interagency agreement with the Texas Department of Motor Vehicles (DMV), the factory manufactures license plates for the State of Texas. The Wynne License Plate Factory employs 12 personnel and approximately 123 offenders.</p> <p>The factory receives orders from DMV inspectors housed on-site and DMV staff assumes responsibility of the license plates once they are received at the Wynne Unit warehouse. The Department of Motor Vehicles ships orders daily to regional or county offices. As of June 15, 2020, the DMV warehouse contained an inventory of 7,638,000 plates (8 months of inventory).</p> <p>In fiscal year 2019 the license plate factory produced 9,425,000 plates at a contracted amount of \$14,598,910.50. The agency also began producing license plates for the State of Tennessee in May of 2020.</p> <p>This project will be performed in coordination with a similar audit planned by the Texas Department of Motor Vehicles.</p>	<p>To determine whether Texas Correctional Industries complies with, and maintains accurate financial records related to, the interagency agreement with the Texas Department of Motor Vehicles for license plates.</p>
<p>2106</p>	<p>Student Contact Hour Tracking</p> <p><i>Windham School District</i></p> <p>Project Hours: 1,476</p>	<p>The Texas Education Code (TEC) provides for the operation of the Windham School District through funding received from the foundation school fund of the Texas Education Agency, through appropriated receipt agreements with the Texas Department of Criminal Justice, and through the use of awarded grant funds. Under section 19.005 of the TEC, <i>Eligibility of Certain Programs and Services</i>, the Commissioner of Education allocates funds to the district</p>	<p>To determine the efficiency of the processes to track student contact hours in the Windham School District's academic and career and</p>

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		<p>based on an amount established in the General Appropriations Act for each contact hour between a teacher and an eligible person, including administrative costs, for the best 180 of 210 school days in each year of the state's fiscal biennium.</p> <p>Student attendance records are among the most essential records maintained by the Windham School District for reporting, as contact hours are the basis for the district's funding. For fiscal year 2019, the district reported 12,325,250 contact hours received by students attending both academic and career and technical education programs. The contact hour rates for the 2020-2021 biennium are approximately \$4.48 per hour for academic education and \$3.67 per hour for career and technical education.</p> <p>Management requested this audit.</p>	<p>technical education programs.</p>
<p>2107</p>	<p>Texas Risk Assessment System Scoring</p> <p><i>Reentry and Integration Division</i></p> <p><i>Parole Division</i></p> <p>Project Hours: 2,624</p>	<p>The Texas Risk Assessment System (TRAS) is a seamless, evidenced-based assessment system that follows an offender through the criminal justice system from community supervision, incarceration, re-entry, and parole supervision. The TRAS is divided into felony and misdemeanor sections, comprising a series of static and dynamic questions about the offender's criminal history, education, employment, family and social support, neighborhood problems, substance abuse and mental health issues, peer association, and criminal attitudes and behavioral patterns.</p> <p>The assessment system interprets an offender's criminal history and determines risk levels related to criminogenic needs and risk of re-offending. Assessment results allow criminal justice professionals to devise the most efficient case plans possible for changing behavior and enabling the allocation of supervision resources to best meet the needs of the individual offender.</p>	<p>To determine the effectiveness of efforts to score and assign offenders the appropriate criminogenic risk level within the Texas Risk Assessment System.</p>
<p>2108</p>	<p>Farm Shop Equipment Repairs</p>	<p>The Manufacturing, Agribusiness, and Logistics Division manages 13 full scale farm shops and oversees agricultural activities on 24 TDCJ units. The farm shops provide repair and preventive maintenance for a variety of agriculture equipment and fleet vehicles for various departments throughout the TDCJ.</p>	<p>To evaluate the cost effectiveness of farm shop equipment repairs.</p>

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	<p><i>Manufacturing, Agribusiness, and Logistics Division</i></p> <p>Project Hours: 1,968</p>	<p>Repair and maintenance of equipment includes tractors, combines, dozers, road graders, balers, plows, harrows, vehicles used in the operations of agribusiness, security, and transportation, etc. Servicing and repairing this equipment, requires each farm shop to purchase and maintain an inventory of parts and tools.</p> <p>For fiscal year 2019, the Manufacturing, Agribusiness, and Logistics Division reported farm shop operations expenditures totaling over \$3,000,000.00 with 14,923 repair and preventive maintenance services performed on agriculture equipment and fleet vehicles.</p>	
2109	<p>Community-Based Contracts</p> <p><i>Private Facility Contract Monitoring Oversight Division</i></p> <p>Project Hours: 2,460</p>	<p>The Private Facility Contract Monitoring Oversight Division is responsible for monitoring compliance with contractual requirements for eight community-based privately operated residential reentry centers (halfway houses) and 19 transitional treatment center locations. These contracts are designed to ensure both public safety and the health, safety, and treatment of the client residents.</p> <p>Parole supervision clients without an approved residence are placed in a residential reentry center either immediately upon release from prison or upon referral from parole field staff in the event the client no longer has an approved residence. Clients completing a Substance Abuse Felony Punishment Facility or In-prison Therapeutic Community treatment program may be placed in a transitional treatment center for up to 90 days to participate in the initial phase of their treatment programming as part of their continuum of care.</p> <p>The Private Facility Contract Monitoring Oversight Division reported fiscal year 2019 expenditures totaling approximately \$31,277,803.00 for residential reentry center contracts and \$28,110,860.00 for transitional treatment center contracts.</p>	<p>To evaluate the effectiveness of efforts to monitor community-based residential reentry and transitional treatment center contracts.</p>
2110	<p>Offender Safety Training</p> <p><i>Administrative Review and Risk Management Division</i></p>	<p>Providing and maintaining a safe work and educational environment for offenders throughout their incarceration is a responsibility of both the Texas Department of Criminal Justice (TDCJ) and the Windham School District. To meet unit specific and individual offender rehabilitative needs, offenders are</p>	<p>To determine compliance with offender safety training requirements.</p>

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	<p><i>Correctional Institutions Division</i></p> <p><i>Facilities Division</i></p> <p><i>Manufacturing, Agribusiness, and Logistics Division</i></p> <p><i>Private Facility Contract Monitoring and Oversight Division</i></p> <p><i>Windham School District</i></p> <p>Project Hours: 1,476</p>	<p>provided various jobs and career and technical education program training to prepare them for successful reentry into the community upon release.</p> <p>As such, each supervisor or teacher has the responsibility to facilitate and document required offender safety training within each department or classroom. This is accomplished using four types of safety training: safety orientation during the intake process; initial job training demonstrating the safe operation and use of the equipment, tools, chemicals, and the identification of any associated or potential hazards; monthly safety training sessions relating to the work being performed and general safety requirements; and annual or specific needs training to increase job efficiency and reduce accident exposure.</p>	
2111	<p>Unit Schedules</p> <p><i>Correctional Institutions Division</i></p> <p>Project Hours: 3,280</p>	<p>Unit schedules are required to facilitate the management of both security and offender activities throughout all 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, religious programs, and 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>This project was included on our fiscal year 2020 audit plan as audit (2013) and was subsequently canceled because of the COVID-19 pandemic. This audit has been rescheduled for this year's plan.</p>	To evaluate the effectiveness of aligning unit schedules with available security resources.

PROJECT NUMBER	PROJECT TITLE, DIVISION(S) & PROJECT HOURS	JUSTIFICATION	OBJECTIVE
2112	<p>Freight Transportation</p> <p><i>Manufacturing, Agribusiness, and Logistics Division</i></p> <p>Project Hours: 1,968</p>	<p>The Fleet and Freight Transportation department within the Manufacturing, Agribusiness, and Logistics Division oversees the agency’s transportation and distribution requirements. Fleet and Freight Transportation has four freight terminals and six mechanical operations located in Beeville, Huntsville, Tennessee Colony, Rosharon and Snyder. Freight terminals are responsible for goods transportation, shipping and distribution planning, safety education training for employees and offenders, and coordinating the transportation and receipt of customer goods. In an effort to manage the movement of these goods and meet customer requirements, offender drivers are utilized to transport freight in a convoy with staff freight drivers providing supervision.</p> <p>The Fleet and Freight Transportation department oversees approximately 2,200 active vehicles, several thousand trailers, and other equipment. In FY 2019, the department managed a fleet of 171 tractor trucks and 460 tractor trailers. The four dispatch offices coordinated more than 29,000 freight hauls and truck drivers logged approximately 5.8 million miles.</p> <p>Management requested this audit.</p>	To determine the efficiency of freight transportation processes.
2113	<p>Action Plan Follow Up and Tracking</p> <p><i>Internal Audit Division</i></p> <p>Project Hours: As needed.</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.	To determine the status of implementation for audit recommendations.
2114	<p>Various Walk Throughs</p> <p><i>Internal Audit Division</i></p> <p>Project Hours: As needed.</p>	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.

PROJECT NUMBER	PROJECT TITLE, DIVISION(S) & PROJECT HOURS	JUSTIFICATION	OBJECTIVE
2115	<p>Accidental Weapons Discharge</p> <p><i>Correctional Institutions Division</i></p> <p><i>Training and Leader Development Division</i></p> <p><i>Administrative Review and Risk Management Division</i></p> <p>Project Hours: 1,312</p>	<p>As a part of our ongoing risk assessment and a walk through of incident reporting, we identified 48 accidental discharges of weapons from March 14, 2019 through November 9, 2020. Forty-seven of these were firearm discharges and one was a chemical agent launcher discharge.</p> <p>While there were no reported injuries associated with the accidental discharges and eight occurred in the clearing barrel designed specifically to minimize damage from these incidents, there were numerous occurrences of property damage (e.g. broken windows, damaged vehicles, bullet holes in walls and ceilings, etc.). Due to the risk these accidental discharges represent to the agency, the fiscal year 2021 annual audit plan was modified to include an audit of this subject.</p>	<p>To identify causes and provide recommendations related to firearm safety and prevention of accidental discharges of firearms.</p>