

An Audit Report on

# Performance Measures At 12 State Entities Fiscal Year 2001



Office of the State Auditor  
Lawrence F. Alwin, CPA

August 2001

Report No. 01-036

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# Key Points of Report

## An Audit Report on Performance Measures at 12 State Entities Fiscal Year 2001

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August 2001

### Overall Conclusion

Decision-makers cannot rely on reported results for 47 percent of the key performance measures examined during fiscal year 2001. Reliability of audited performance measures decreased to 53 percent as compared to the cumulative average reliability rate of 62 percent for previous audits. Our recommendations, if implemented, should improve performance measure reliability. The audit covered results reported for fiscal year 2000 and the first quarter of fiscal year 2001.

### Key Facts and Findings

- Fifty-three percent of the performance measures examined were reliable in fiscal year 2000 and the first quarter of fiscal year 2001. Twenty-two percent of measures were inaccurate and factors prevented us from determining whether 25 percent of the measures were correct or incorrect.
- Failure to calculate performance according to measure definitions, insufficient supporting documentation, and insufficient policies and procedures for data collection, calculation, and reporting continue to be the primary causes of unreliable reporting.
- Only 39 percent of the outcome measures reviewed were reliable as compared to 60 percent of output measures and 58 percent of efficiency measures for fiscal year 2000.
- More than 50 percent of the measures audited at the following entities were unreliable:
  - Commission on Alcohol and Drug Abuse
  - Health and Human Services Commission
  - Department of Mental Health and Mental Retardation
  - Texas A&M University at Galveston
  - Parks and Wildlife Department
- The Animal Health Commission's audited measures were 100 percent reliable.

### Contact

Joanna B. Peavy, CPA, Audit Manager (512) 936-9500



## Office of the State Auditor

Lawrence F. Alwin, CPA

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*This audit was conducted in accordance with Government Code, Section 2101.038, and the Lieutenant Governor's Budget Reform Proposal, as adopted by the Legislative Budget Board on November 18, 1991, and in cooperation with the Legislative Budget Board.*

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# Executive Summary

## Half of the Performance Measures Examined at 12 Entities Are Reliable for Making Decisions

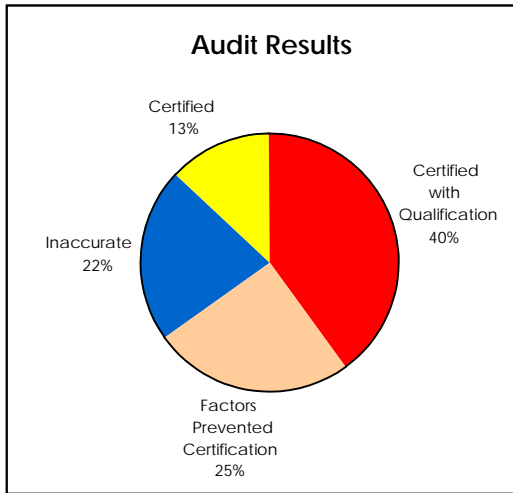
Fifty-three percent of the key performance measures examined at 11 agencies and 1 university were determined to be reliable for

fiscal year 2000 and the first quarter of fiscal year 2001. (See Figure 1.) In contrast, a cumulative average of 62 percent of the measures were reliable in previous audits. (See Figure 4 on the next page.)

A performance measure is reliable if it is Certified or Certified With Qualification. (See Figure 2.)

Factors prevented certification for 25 percent of the performance measures. We found 22 percent of the measures to be inaccurate.

Figure 1



## Insufficient Policies and Procedures Continue to Be the Primary Cause of Unreliable Performance Results

Forty-seven percent of the measures reviewed in this audit are unreliable. The primary causes of unreliable performance reporting continue to be:

- Supervisors do not review data during measure calculation and reporting.
- Policies and procedures for data collection and calculation are insufficient.
- Documentation supporting the reported results is insufficient.
- Entities do not calculate performance according to measure definitions.

To improve the reliability of their performance measurement systems, entities should follow these procedures to prevent or detect reporting errors:

- Review data submitted by field offices and third parties for accuracy and completeness.
- Review measure calculations for consistency with measure definitions and mathematical accuracy.
- Review supporting documentation for accuracy and completeness.
- Compare final results submitted to the Legislative Budget Board with summary documentation to ensure data entry accuracy.

## Only 39 Percent of the Outcome Measures Reviewed Were Reliable

Thirty-nine percent of the outcome measures reviewed were reliable for fiscal year 2000. This percentage is lower than the reliability rates for output measures (60 percent) and efficiency measures (58 percent).

Because outcome measures assess an entity's effectiveness in serving its key customers and in achieving its mission, goals, and

Figure 2

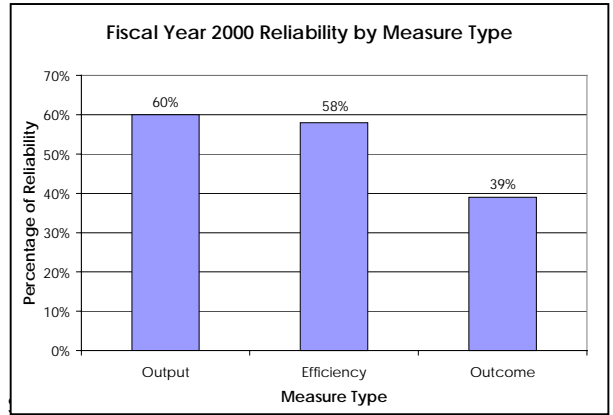
Categories	Definitions
<b>Certified</b>	Reported performance is accurate within +/-5 percent and controls appear adequate to ensure accuracy for collecting and reporting performance data.
<b>Certified With Qualification</b>	Reported performance is within +/- 5 percent, but the controls over data collection and reporting are not adequate to ensure continued accuracy.
<b>Factors Prevented Certification</b>	Actual performance cannot be determined because of inadequate controls and insufficient documentation.
<b>Inaccurate</b>	Reported performance is not within +/-5 percent of actual performance or there is an error rate of 5 percent or more in supporting documentation.
<b>Not Applicable</b>	Performance is justifiably not reported.

# Executive Summary, continued

objectives, management should ensure that the performance reported for these measures is accurate (See Figure 3.) Figure 4 shows the individual and average reliability rates over the last seven years for all state entities. The bars represent reliability rates from individual audits, and the line represents the cumulative average results of all certification reports.

Additional information for improving performance measure reliability can be found in the *Guide to Performance Measure Management* (SAO No. 00-318, December 1999). The guide is available on the State Auditor's Office website at [www.sao.state.tx.us](http://www.sao.state.tx.us) (click on Resources, then Performance Measures). Table 1 on the next page provides an overview of the current results.

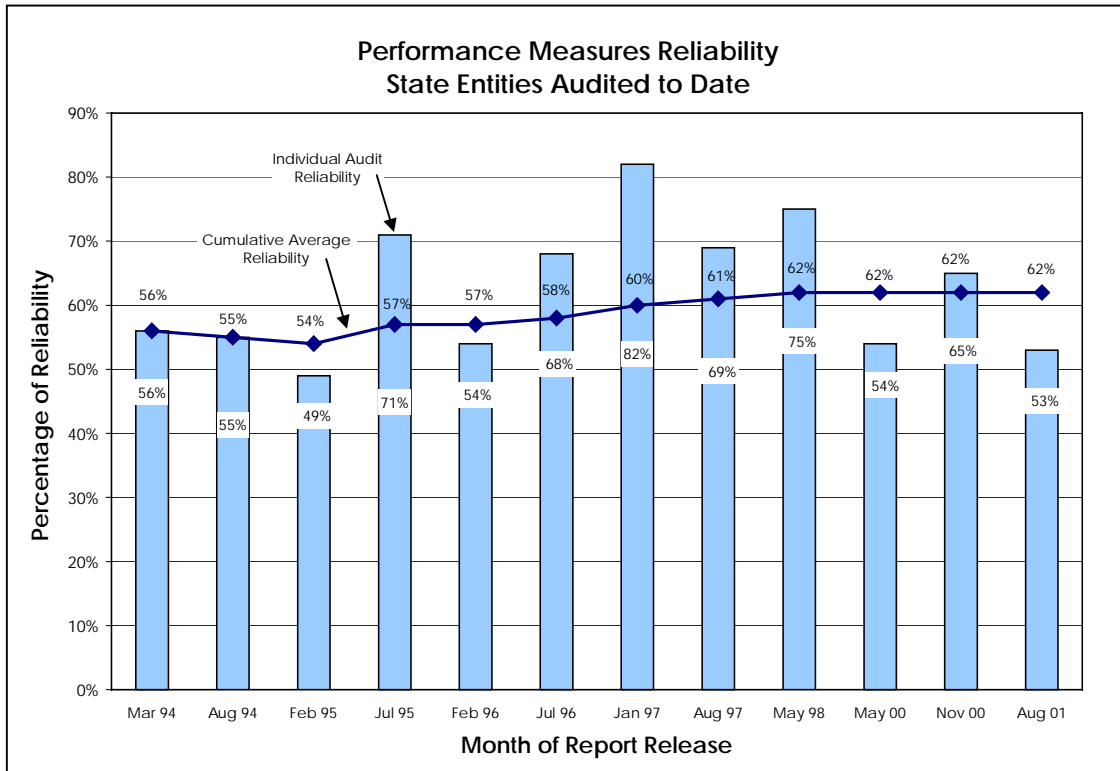
Figure 3



## Summary of Management Responses

Responses indicate that each entity's management generally agrees with the recommendations for improvement. Responses to audit findings were provided by the audited entities' management and are included in the report after each entity's results and findings.

Figure 4



Source: State Auditor's Office audit results

# Executive Summary, concluded

## Summary of Audit Objectives and Scope

The primary objective of this audit was to determine the accuracy of key performance measures reported to the Automated Budget and Evaluation System of Texas (ABEST) database. We also reviewed related control systems for adequacy.

Our scope included a review of fiscal year 2000 and first quarter fiscal year 2001 data for selected performance measures at 11 agencies and 1 university. We traced performance information to original sources when possible.

Table 1

Audit Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001							
Entity	Fiscal Year	Certified	Certified With Qualification	Factors Prevented Certification	Inaccurate	Total Measures Audited	Reliability Percentage
Commission on Alcohol and Drug Abuse	2000	0	0	4	1	5	0%
	2001 1 <sup>st</sup> Quarter	0	0	3	1	4	0%
Animal Health Commission	2000	0	4	0	0	4	100%
	2001 1 <sup>st</sup> Quarter	0	3	0	0	3	100%
Department of Criminal Justice	2000	0	5	2	0	7	71%
	2001 1 <sup>st</sup> Quarter	0	3	1	0	4	75%
General Services Commission	2000	2	3	1	1	7	71%
	2001 1 <sup>st</sup> Quarter	1	1	1	0	3	67%
Department of Health	2000	0	6	2	0	8	75%
	2001 1 <sup>st</sup> Quarter	0	5	2	0	7	71%
Health and Human Services Commission	2000	1	0	0	2	3	33%
	2001 1 <sup>st</sup> Quarter	1	0	2	1	4	25%
Department of Mental Health and Mental Retardation	2000	0	3	1	6	10	30%
	2001 1 <sup>st</sup> Quarter	0	1	1	4	6	17%
Parks and Wildlife Department	2000	2	0	4	0	6	33%
Department of Protective and Regulatory Services	2000	4	2	2	2	10	60%
	2001 1 <sup>st</sup> Quarter	3	4	1	0	8	88%
Department of Public Safety	2000	1	2	1	1	5	60%
	2001 1 <sup>st</sup> Quarter	1	1	1	2	5	40%
Soil and Water Conservation Board	2000	0	2	1	1	4	50%
	2001 1 <sup>st</sup> Quarter	0	1	0	1	2	50%
Texas A&M University at Galveston	2000	0	1	0	3	4	25%
<b>Total</b>		<b>16</b>	<b>47</b>	<b>30</b>	<b>26</b>	<b>119</b>	
<b>Percentage</b>		<b>13%</b>	<b>40%</b>	<b>25%</b>	<b>22%</b>	<b>100%</b>	<b>53%</b>

Source: State Auditor's Office

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# Results, Findings, and Management Responses

## Commission on Alcohol and Drug Abuse (Agency 517)

Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>A Outcome</b> Percent of Youth Completing Treatment Programs Who Report They Are Abstinent When Contacted Following Discharge	2000	88.0%	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter )	Not Applicable	Not Applicable	Outcomes are reported annually.
<b>A.1.1 Output</b> Number of Youth Served in Prevention Programs	2000	221,712	Inaccurate	Sample documentation tested resulted in a 9.4 percent error rate. The prevention program providers inaccurately reported to the Commission the number of youth they served.
	2001 (1 <sup>st</sup> quarter )	94,094	Inaccurate	Sample documentation tested resulted in a 5.3 percent error rate. The prevention program providers inaccurately reported to the Commission the number of youth they served.
<b>A.1.1 Efficiency</b> Average Cost per Youth for Prevention Services	2000	\$91.33	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter )	\$36.04	Factors Prevented Certification	See finding.
<b>A.1.3 Output</b> Percent of Youth Completing Treatment Programs	2000	60.0%	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter )	56.0 percent	Factors Prevented Certification	See finding.

**Performance Measure Certification Results  
for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001**

Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
A.1.3 Efficiency Average Cost per Youth Served in Treatment Programs	2000	\$3,721.00	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter)	\$1,592.00	Factors Prevented Certification	See finding.

A measure is **Certified** if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.

A measure is **Certified With Qualification** when reported performance is within +/- 5 percent, but the controls over data collection and reporting are not adequate to ensure continued accuracy.

**Factors Prevented Certification** when actual performance cannot be determined because of inadequate controls and insufficient documentation.

A measure is **Inaccurate** when reported performance is not within +/-5 percent of actual performance or if there is an error rate of five percent or more in supporting documentation.

A measure is **Not Applicable** when performance is justifiably not reported.

Source: ABEST reports for fiscal year 2000 and the first quarter of fiscal year 2001

# Commission on Alcohol and Drug Abuse

## Key Performance Measures

- Average Cost per Youth Served in Treatment Programs
- Average Cost per Youth for Prevention Services
- Percent of Youth Completing Treatment Programs
- Percent of Youth Completing Treatment Programs Who Report They Are Abstinent When Contacted Following Discharge

At the Commission on Alcohol and Drug Abuse (Commission), factors prevented the certification of the performance measures listed above.

For fiscal year 2000 and the first quarter of fiscal year 2001, the Commission used estimates to calculate the cost for treatment and prevention services provided to youth. The definition requires the Commission to report actual costs for these services. The Commission does not separate youth and adult expenditure data at the point of collection; it allocates expenditures based on the number of youth served in the past. Consequently, we were unable to calculate the data that should have been reported based on the definition.

In addition, for the Average Cost per Youth Served in Treatment Programs, the Commission did not retain fiscal year 1999 data used to compute expenditure estimates reported for the measure.

For the Percent of Youth Completing Treatment Programs and Percent of Youth Completing Treatment Programs Who Report They Are Abstinent When Contacted Following Discharge, provider documentation was not sufficient to verify that all youth completed the percentage of behavioral objectives established by Commission regulations. Completion of a specified percentage of behavioral objectives is a prerequisite to completing the treatment program. In some cases, the client files did not contain the behavioral objectives established for youth, while in other cases, the objectives met by youth were not identified.

Additionally, the Commission does not have documented policies and procedures for review of data entry prior to final submission into ABEST.

### Recommendations:

We recommend that the Commission:

- Use methods for calculating Average Cost per Youth Served in Treatment Programs and Average Cost per Youth for Prevention Services that are consistent with measure definitions. To the extent that estimates may be necessary to calculate the performance for the measures, the Commission should obtain approval from the Legislative Budget Board and the Governor's Office of Budget and Planning to ensure that measure definitions reflect the

use of such estimates. In addition, the Commission should document the agreed upon estimation methods.

- Ensure that providers comply with treatment file documentation guidelines as established by the Commission's regulations.
- Develop, document, and implement policies and procedures to review data entries prior to final submission into ABEST.
- Retain all source documentation that supports the numbers reported in ABEST.

# Management Response

## COMMISSIONERS

**Robert A. Valadez**  
San Antonio, Chairman  
**Beverly Barron**  
Odessa, Vice-Chair  
**R. C. Allen**  
Corpus Christi



## Texas Commission on Alcohol and Drug Abuse

Vernon "Max" Arrell  
Interim Executive Director

## COMMISSIONERS

**Lisa F. Dickson**  
Dallas  
**John F. Longoria**  
Corpus Christi  
**Dr. Dorothy Pettigrew**  
League City

August 9, 2001

Ms. Vandita Zachariah, Project Manager  
State Auditor's Office  
P.O. Box 12067  
Austin, TX 78711-2067

Dear Ms. Zachariah:

Enclosed are our formal management responses to the draft report of the Performance Measures audit. You should also have received an electronic copy of these responses.

If you have questions on these responses or need more information, please contact Marty Parker at 349-6966 or, after August 14, 2001, Dianne Oldroyd at 349-6920.

Sincerely,

A handwritten signature in cursive script that reads "Vernon 'Max' Arrell".

Vernon "Max" Arrell  
Interim Executive Director

Cc: Dianne Oldroyd, Director of Internal Audit  
Dianne Casey, Deputy Director for Finance and Administration  
Larry Raper, Deputy Director for Programs  
Doug Wilson, Deputy Director for Licensing and Enforcement

Encl

Mailing Address: P.O. Box 80529 • Austin, TX 78708-0529  
9001 North IH35, Suite #105 • Austin, TX 78753-5233 • tel (512) 349-6600 • fax (512) 437-8500 • web <http://www.tcadfa.state.tx.us>

**Texas Commission on Alcohol & Drug Abuse**  
**Response to Performance Measures Audit Report**  
**August 2001**

**Recommendations:**

We recommend that the Commission:

- Use methods for calculating Average Cost per Youth Served in Treatment Programs and Average Cost per Youth for Prevention Services that are consistent with measure definitions. To the extent that estimates may be necessary to calculate the performance for the measures, the Commission should work with the Legislative Budget Board and the Governor's Office of Budget and Planning to ensure that measure definitions reflects the use of such estimates. In addition, the Commission should document the estimation methods agreed upon.

***Management's Response:** The Commission will review its existing methodology for calculating average cost measures to ensure that the methodology is consistent with approved measure definitions. The Commission will work with LBB and the Governor's Office to ensure that estimates used in the calculation of average cost measures are reflected in the definition or are otherwise acceptable to those agencies. Finally, the Commission will document the procedures that are used to calculate all estimates included in the average cost measures. That documentation will be maintained in a formal agency policy and procedure for reporting performance measures to the LBB.*

*Implementation Date: August 31, 2001*

*Responsible Party: Manager, Analysis and Reporting Division*

- Ensure that providers comply with treatment file documentation guidelines as established by the Commission's regulations.

***Management's Response:** The Commission will continue to monitor contractor reporting to ensure that information reported is accurate and complete, and reported correctly to the agency.*

*Implementation Date: Ongoing*

*Responsible Party: Deputy Director, Licensing and Enforcement and Deputy Director, Programs*

- Develop, document and implement policies and procedures to review of data entries prior to final submission into ABEST.

***Management's Response:** The Commission will develop and implement procedures to review data entry into the ABEST system before the entered data is changed to "complete" status in the System. This review will include steps to ensure mathematical accuracy of calculations used in the preparation of measures and to ensure that data entered into ABEST agrees to support documentation before the submission status is changed to complete.*

*Implementation Date: August 31, 2001*

**Texas Commission on Alcohol & Drug Abuse**  
**Response to Performance Measures Audit Report**  
**August 2001**

*Responsible Party: Manager, Analysis and Reporting Division*

- Retain all source documentation that support the numbers reported in ABEST.

***Management's Response:** The Commission has established a procedure to retain paper copies of all electronic reports that are generated for the purpose of preparing the quarterly performance reports to the LBB. In addition, the Commission will electronically store all data files used in the preparation of ABEST performance reports and maintain an electronic copy of the data sets in the performance report permanent records.*

*Implementation Date: August 31, 2001*

*Responsible Party: Manager, Analysis and Reporting Division.*

## Animal Health Commission (Agency 554)

Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>A Outcome</b>  Percent Change in Known Prevalence of Bovine Brucellosis From the 1994 Level	2000	-95.22%	Certified With Qualifications	The Commission did not have procedures to review and approve the accuracy of data entry into the Automated Budget Evaluation System of Texas (ABEST). The Commission has since drafted and implemented review procedures.
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.
<b>A.1.1 Output</b>  Number of Livestock Shipments Inspected	2000	6,997	Certified With Qualification	To ensure continued accuracy, the Commission should document procedures for data collection by legal and program statistics coordinators.  The Commission did not have procedures to review and approve the accuracy of ABEST data entry. The Commission has since drafted and implemented review procedures.
	2001 (1 <sup>st</sup> quarter)	1,697	Certified With Qualification	See comments above for fiscal year 2000.
<b>A.1.2 Output</b>  Number of Surveillance Laboratory Tests Conducted	2000	2,229,276	Certified With Qualification	To ensure continued accuracy the Commission should document and implement procedures for data collection by the program and statistics coordinators.  The Commission did not have procedures to review and approve the accuracy of ABEST data entry. The Commission has since drafted and implemented review procedures.
	2001 (1 <sup>st</sup> quarter)	566,640	Certified With Qualification	See comments above for fiscal year 2000.



Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
A.1.4 Output Number of Herd Management Documents Developed	2000	329	Certified With Qualification	To ensure continued accuracy, the Commission should document and implement procedures for data collection by program statistics coordinators. The procedures should clearly outline the documents and information expected from field offices.  The Commission did not have procedures to review and approve the accuracy of ABEST data entry. The Commission has since drafted and implemented review procedures.
	2001 (1 <sup>st</sup> quarter)	56	Certified With Qualification	See comments above for fiscal year 2000.
<p>A measure is <b>Certified</b> if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>A measure is <b>Certified With Qualification</b> when reported performance is within +/- 5 percent, but the controls over data collection and reporting are not adequate to ensure continued accuracy.</p> <p><b>Factors Prevented Certification</b> when actual performance cannot be determined because of inadequate controls and insufficient documentation.</p> <p>A measure is <b>Inaccurate</b> when reported performance is not within +/-5 percent of actual performance or if there is an error rate of five percent or more in supporting documentation.</p> <p>A measure is <b>Not Applicable</b> when performance is justifiably not reported.</p>				

Source: ABEST reports for fiscal year 2000 and the first quarter of fiscal year 2001

# Management Response

## TEXAS ANIMAL HEALTH COMMISSION

"SERVING TEXAS SINCE 1893"

P. O. Box 12946  
Austin, Texas 78711-2946

2105 Kramer Lane  
Austin, Texas 78758

Phone: (512)719-0700  
(800)550-8242

Fax: (512)719-0719

Linda L. Logan, D.V.M., Ph.D.  
Executive Director



### COMMISSIONERS:

R. A. (Rob) Brown, Jr.  
Chairman

James Quincy Barnes, Jr.  
Tommy I. Borika  
Ron Dunsport  
Reta K. Dress  
Tavis Hurd

Rosendo Rangel, Jr., D.V.M.  
Charles R. Sherrod, M.D.  
Joe W. Templeton, Ph.D.  
Richard C. Traylor  
Richard W. Winters, D.V.M.

August 3, 2001

Mr. Lawrence A. Alwin, CPA  
State Auditor  
State Auditor's Office  
1501 N. Congress Ave., Suite 4.224  
Austin, TX 78701

Dear Mr. Alwin:

We agree with the recommendations to the Performance Measure Phase 15 audit provided by Ms. Vandita Zachariah, Project Manager, in her letter dated July 24, 2001. Ms. Zachariah and her staff are to be commended for their professional and courteous manner in conducting the audit.

The Texas Animal Health Commission management responses to the performance measure audit are as follows:

***Percent Change in Known Prevalence of Bovine Brucellosis from the 1994 Level:***

We agree with the audit finding and the Commission has since drafted and implemented review procedures.

***Number of Livestock Shipments Inspected:***

We agree with the audit finding and will draft procedures for collecting of data by Legal and Program Statistics Coordinators. The procedures will be completed within 90 days of this response.

Procedures have been implemented for the review and approval of the accuracy of the ABEST data entry.

***Number of Surveillance Laboratory Tests Conducted:***

We agree with the audit finding and will draft procedures for collecting of data by the Program Statistics Coordinator. The procedures will be completed within 90 days of this response.

Procedures have been implemented for the review and approval of the accuracy of the ABEST data entry.

AN EQUAL OPPORTUNITY EMPLOYER

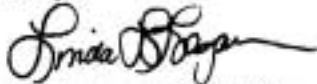
Mr. Lawrence Alwin, State Auditor  
August 3, 2001  
Page 2

**Number of Herd Management Documents Developed:** We agree with the audit finding and will draft procedures for collecting of data by the Program Statistics Coordinator. The procedures will be completed within 90 days of this response.

Procedures have been implemented for the review and approval of the accuracy of the ABEST data entry.

If you have any questions or require any additional information, please call Mr. Bruce Hammond, Deputy Director for Administration and Finance, at (512) 719-0758.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Logan", with a long, sweeping horizontal flourish extending to the right.

Linda L. Logan, D.V.M., Ph.D.  
Executive Director

**Department of Criminal Justice**  
(Agency 696)

Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>A Outcome</b> Felony Community Supervision Annual Revocation Rate	2000	9.1%	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.
<b>A.1.1 Output</b> Total Felony Offenders Under Direct Supervision	2000	160,723	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter)	160,895	Factors Prevented Certification	See finding.
<b>C.1.1 Output</b> Number of Inmates Incarcerated	2000	121,130	Certified With Qualification	To ensure continued accuracy the Department should: <ul style="list-style-type: none"> <li>• Expand the documented guidelines to include detailed steps for collecting data and calculating the measure.</li> <li>• Segregate duties involving data collection, data entry, and approval of ABEST data.</li> <li>• Document and retain evidence of management's review and approval of ABEST data.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	121,970	Certified With Qualification	See comments above for fiscal year 2000.
<b>C.1.2 Efficiency</b> Support Services Cost per Inmate Day	2000	\$6.67	Certified With Qualification	To ensure continued accuracy the Department should: <ul style="list-style-type: none"> <li>• Expand the documented guidelines to include detailed steps for collecting data and calculating the measure.</li> <li>• Segregate duties involving data collection, data entry, and approval of ABEST data.</li> <li>• Document and retain evidence of management's review and approval of ABEST data.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	\$6.45	Certified With Qualification	See comments above for fiscal year 2000.

Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
C.1.4 Efficiency Medical Care Cost per Inmate Day	2000	\$5.65	Certified With Qualification	To ensure continued accuracy the Department should: <ul style="list-style-type: none"> <li>Expand the documented guidelines to include detailed steps for collecting data and calculating the measure.</li> <li>Segregate duties involving data collection, data entry, and approval of ABEST data.</li> <li>Document and retain evidence of management's review and approval of ABEST data.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	\$5.88	Certified With Qualification	See comments above for fiscal year 2000.
C.1.5 Explanatory Average Number of Inmates in Contractual Correctional Bed Capacity	2000	3,257	Certified With Qualification	To ensure continued accuracy the Department should: <ul style="list-style-type: none"> <li>Expand the documented guidelines to include detailed steps for collecting data and calculating the measure.</li> <li>Segregate duties involving data collection, data entry, and approval of ABEST data.</li> <li>Document and retain evidence of management's review and approval of ABEST data.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.
E Outcome Releasee Annual Revocation Rate	2000	11.2%	Certified With Qualification	To ensure continued accuracy the Department should: <ul style="list-style-type: none"> <li>Expand the documented guidelines to include detailed steps for collecting data and calculating the measure.</li> <li>Document and retain evidence of management's review and approval of ABEST data.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.
<p>A measure is <b>Certified</b> if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>A measure is <b>Certified With Qualification</b> when reported performance is within +/- 5 percent, but the controls over data collection and reporting are not adequate to ensure continued accuracy.</p> <p><b>Factors Prevented Certification</b> when actual performance cannot be determined because of inadequate controls and insufficient documentation.</p> <p>A measure is <b>Inaccurate</b> when reported performance is not within +/-5 percent of actual performance or if there is an error rate of five percent or more in supporting documentation.</p> <p>A measure is <b>Not Applicable</b> when performance is justifiably not reported.</p>				

Source: ABEST reports for fiscal year 2000 and the first quarter of fiscal year 2001

## Department of Criminal Justice

### Key Performance Measures

- **Felony Community Supervision Annual Revocation Rate**
- **Total Felony Offenders Under Direct Supervision**

At the Department of Criminal Justice (Department) factors prevented the certification of Felony Community Supervision Annual Revocation Rate for fiscal year 2000 and Total Felony Offenders Under Direct Supervision for fiscal year 2000 and the first quarter of fiscal year 2001.

The reported performance for the measures could not be verified due to the lack of supporting documentation. Bexar County, one of the community supervision and correction departments, could not provide data that supported the numbers used to calculate the performance for these measures. Bexar County accounts for more than six percent of the population for both measures.

The Department used estimates and data from prior time periods to calculate the revocation rate and the number of felony offenders under direct supervision. Definitions for the measures require that current data be used for the two measures.

Additionally, the Department does not have comprehensive policies and procedures for data collection, calculation, and review prior to its submission to the ABEST coordinator.

### Recommendations:

We recommend that the Department:

- Implement and enforce procedures for data submission and data retention for the community supervision and correction departments.
- Document comprehensive policies and procedures for the collection, calculation, and review of data before it is submitted to the ABEST coordinator.

# Management Response



## TEXAS DEPARTMENT OF CRIMINAL JUSTICE

P.O. Box 99 • Huntsville, Texas 77342-0099

Gary Johnson,  
Executive Director

August 10, 2001

Lawrence F. Alwin, CPA  
State Auditor  
Robert E. Johnson, Sr. Building  
1501 North Congress Avenue  
Austin, Texas 78701

Dear Mr. Alwin:

On behalf of the Texas Department of Criminal Justice (TDCJ), I am forwarding you a management response to the recent state audit of agency performance measures. Your instructions stated that our responses should be concise and we will make every effort to honor that request as well as to address each of your recommendations. For the sake of brevity, we have chosen to address the certification results collectively. Celeste Byrne, TDCJ's Budget Director, has been designated as the primary contact person for all TDCJ performance measure activity.

Certification Results	Management Agrees/Disagrees	Corrective Action Taken based on SAO Recommendations
Factors Prevented Certification	Agrees with Comment (see Corrective Action Taken)	<ul style="list-style-type: none"> <li>• Procedures are currently in place that relate to the handling of data once it reaches TDCJ. Community Supervision and Corrections Departments (CSCDs) retain the primary responsibility for the establishment and enforcement of procedures for data submission and source data retention at the local level. However, in an effort to remediate data collection issues, we will evaluate whether it would be appropriate to withhold funds from CSCDs with significant data submission problems.</li> <li>• The Legislative Budget Board (LBB) and Governor's Office of Budget and Planning (GOBP) will be contacted regarding the use of estimated data substitutions on the designated measures, sometime early Fall 2001. Ultimately, the LBB and GOBP will make the final determination regarding the use of estimated information in performance measure calculation.</li> <li>• Documentation and retention of evidence of management's review and approval of ABEST approval was implemented beginning the third quarter of fiscal year 2001.</li> </ul>

Certification Results	Management Agrees/Disagrees	Corrective Action Taken based on SAO Recommendations
Certified with Qualification	Agrees	<ul style="list-style-type: none"><li>• The SAO Office was contacted to provide guidance for expansion of existing procedures. Completion of procedures for key measures are slated for Fall 2001 and non-key measures, Spring 2002.</li><li>• Recommendations that pertained to duties related to data collection, data entry and approval of ABEST data have been completed and were implemented beginning the third quarter of fiscal year 2001.</li><li>• Documentation and retention of evidence of management's review and approval of ABEST approval was implemented beginning the third quarter of fiscal year 2001.</li></ul>

We look forward to receipt of your final audit report. Please do not hesitate to contact me if I can be of any further assistance related to the area of performance measurement, 936/437-2101.

Sincerely,



Gary Johnson  
Executive Director

Cc: Brad Livingston  
Charles Marsh  
Raymond Pycatt  
Celeste Byrne  
Dana Aikman  
Eileen Boaz



**General Services Commission**  
(Agency 303)

Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>A Outcome</b> Percent of Goods and Services Purchased from Term Contracts	2000	49.0%	Certified With Qualification	To ensure continued accuracy the Commission needs to strengthen its review procedures for reporting accurate data.
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.
<b>A Outcome</b> Price of TEXAN Data Services as Percent of Industry Average	2000	62.0%	Inaccurate	Based on documentation provided by the Commission, the actual percentage was 57.8%, resulting in a variance of 6.8 percent from the reported result. The Commission deviated from the measure definition and compared individual TEXAN data services (Internet, circuit, and relay) to the corresponding industry data services and then averaged the totals. The measure definition requires that the Commission compare the grand total of TEXAN data services to the grand total of the industry average amount.
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.
<b>A Outcome</b> Estimated Costs Avoided for Customers by Utilization of Federal Personal Surplus Property	2000	\$6,973,843	Certified	
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.
<b>A.2.1 Efficiency</b> Average Cost per Square Foot Provided Services	2000	.076	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter)	.081	Factors Prevented Certification	See finding.
<b>B Outcome</b> Dollar Value of Deferred Maintenance Projects Remaining	2000	\$82,249,009	Certified With Qualification	The Commission should obtain approval from the Legislative Budget Board and the Governor's Office of Budget and Planning for including encumbrances in the calculation. Encumbrances are amounts obligated for goods or services through contractual obligations.
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.

**Performance Measure Certification Results  
for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001**

Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>B.1.1 Efficiency</b> Cost per Square Foot of All Building Activities (Except Utilities)	2000	\$1.12	Certified	
	2001 (1 <sup>st</sup> quarter)	\$0.19	Certified	
<b>B.2.1 Output</b> Dollar Value of Projects Completed (in Millions)	2000	\$4.114	Certified With Qualification	The Commission should obtain approval from the Legislative Budget Board and the Governor's Office of Budget and Planning to amend the following: <ul style="list-style-type: none"> <li>• Definition to include encumbrances and commitments in the calculation. Committed funds are expenditures for which goods and services have been received but not yet paid.</li> <li>• Measure title to coincide with the measure definition.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	\$2.8	Certified With Qualification	See comments above for fiscal year 2000.

A measure is **Certified** if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.

A measure is **Certified With Qualification** when reported performance is within +/- 5 percent, but the controls over data collection and reporting are not adequate to ensure continued accuracy.

**Factors Prevented Certification** when actual performance cannot be determined because of inadequate controls and insufficient documentation.

A measure is **Inaccurate** when reported performance is not within +/-5 percent of actual performance or if there is an error rate of five percent or more in supporting documentation.

A measure is **Not Applicable** when performance is justifiably not reported.

Source: ABEST reports for fiscal year 2000 and the first quarter of fiscal year 2001

## General Services Commission

### Key Performance Measure

- Average Cost per Square Foot Provided Services

At the General Services Commission (Commission) factors prevented the certification of the performance measure Average Cost per Square Foot Provided Services for fiscal year 2000 and the first quarter of fiscal year 2001.

Reported performance for the two measures could not be verified due to the lack of supporting documentation. The Commission did not retain hard copies of monthly costs per square foot of provided services for the relevant period from the Space Utilization Database. Instead, the Commission used November 1999 costs to calculate the performance.

In addition, the Commission did not have complete policies and procedures for collecting and calculating the data for the measure.

### Recommendations:

We recommend that the General Services Commission:

- Retain copies of monthly square footage and cost reports to support the numbers reported in ABEST.
- Update documented policies and procedures to include all procedures to collect data and calculate the performance for the measure.

# Management Response



## General Services Commission

1711 San Jacinto P.O. Box 13047  
Austin, Texas 78711-3047  
Web Site: [www.gsc.state.tx.us](http://www.gsc.state.tx.us)  
(512) 463-3035

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ACTING EXECUTIVE DIRECTOR  
Ann Dillon

August 3, 2001

Mr. Larry Alwin  
State Auditor  
Office of the State Auditor  
Robert E. Johnson Building  
1501 North Congress Avenue, Suite 4.224  
Austin, Texas 78701

Dear Mr. Alwin:

Please find below the General Services Commission's management responses to the findings and recommendations cited in the draft report of the State Auditor's most recent review of selected performance measures.

The General Services Commission's current management staff is committed to improving internal processes for compiling, tracking, calculating, and report performance measurement data. The agency has addressed the findings and/or observations made during your recent review of selected agency measures and have implemented the necessary management controls to ensure the type of deficiencies noted are minimized.

Please review the responses. If additional information is required, please give me a call at (512) 463-3447.

Sincerely,

Ann Dillon  
Acting Executive Director

cc: GSC Commissioners

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General Services Commission  
August 3, 2001  
Page 2

**Measure: Percent of Goods and Services Purchased from Term Contracts**

Recommendation:

We recommend the Commission strengthen its review procedures to ensure that reported data is accurate. The reported data did not include data on purchases for August.

Management's Response:

Central Procurement management agrees with the audit finding that the review procedures should be strengthened. The error identified by the SAO was corrected and revised documentation submitted to GSC's Fiscal division for inclusion in the ABEST system on April 10, 2001.

To prevent the error identified from reoccurring, the Reports Coordinator will submit reports to the Procurement Support Program Director. The Procurement Support Program Director will verify the information the Contract Specialist provides to the Reports Coordinator and the data entry by the Coordinator for accuracy. In addition, the Coordinator will continue to meet quarterly with the purchasing managers and the division director to obtain signatures. The internal procedures have been updated to reflect these additional controls.

**Measure: Price of Tex-An Data Services as a Percent of Industry Average**

Recommendation:

We recommend the Commission compare the grand total of TEXAN data services to the grand total of the industry average amount. The Commission deviated from the measure definition and compared individual TEXAN data services to the corresponding industry data services and then averaged the totals. The actual percentage was 57.8% resulting in a variance of .6.8% from reported results.

Management's Response:

Management of the Telecommunications Division agrees with the audit finding that the fiscal year 2000 data submitted to GSC's Fiscal Division and entered in the ABEST system was inaccurate and was not calculated per the LBB definition. The definition in the ABEST system for this measure is not detailed. The GSC Strategic Plan (definition, p. 91) as well as the definition in the Division's internal procedures contains more detail regarding how the measure should be calculated. In addition, comments made by the auditors during their review might result in additional changes being made to the proposed definition.

The Telecommunications Division will develop a more detailed definition and request the LBB review the proposed definition during the next strategic planning cycle or earlier if possible. However, in the interim, the measure will be calculated as the State Auditor's Office has interpreted the definition. This will involve a simple change to the existing spreadsheet used by the Billing Manager to calculate the measure.

General Services Commission  
August 3, 2001  
Page 3

**Measure: Average Cost per Square Foot Provided Services**

Recommendations:

We recommend that the General Services Commission:

- ◆ Retain copies of monthly square footage reports to support the numbers reported in ABEST.
- ◆ Update documented policies and procedures to include all procedures to collect data and calculate the performance for the measure.

Management's Response:

Management of the Environmental Services Division agrees with the audit recommendations and have developed and implemented procedures that require receipt of quarterly facility listings from the Facilities and Construction and Space Management Division to support the square footage information reported and entered in the ABEST system.

In addition, we have updated our internal procedures to include the steps involved with collecting and calculating performance measurement data.

**Measure: Dollar Value of Deferred Maintenance Projects Remaining**

Recommendation:

We recommend the Commission work with the Legislative Budget Board and the Governor's Office for Budget and Planning to clarify the measure definition to determine whether to include encumbrances in the calculation. Encumbrances are amounts obligated for goods or services through contractual obligations.

Management's Response:

Building and Property Services management agrees with the audit finding. The GSC Strategic Planning Committee will work with the Legislative Budget Board and the Governor's Office for Budget and Planning during the next strategic planning cycle (Spring/Summer of 2003) to clarify the measure's intent, specifically addressing how encumbrances should be handled.

**Measure: Dollar Value of Projects Completed (in Millions)**

Recommendations:

We recommend the Commission work with the Legislative Budget Board and Governor's Office for Budget and Planning to:

- ◆ Clarify the measure definition to determine whether to include encumbrances and commitments in the calculation. Committed funds are expenditures for which goods and services have been received by not yet paid.
- ◆ Amend the measure name to coincide with the measure definition.

**Department Of Health**  
(Agency 501)

Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>A.1.2 Efficiency</b> Average Cost per Surveillance Activity	2000	\$168.42	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter)	\$190.01	Factors Prevented Certification	See finding.
<b>A.1.3 Output</b> Number of Enforcement Actions Taken	2000	5,265	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter)	940	Factors Prevented Certification	See finding.
<b>A.2.1 Efficiency</b> Average Food Costs Per Person Receiving Services	2000	\$26.26	Certified With Qualification	To ensure continued accuracy the Commission should document procedures for: <ul style="list-style-type: none"> <li>• Collecting and reviewing data before submission to the ABEST coordinator.</li> <li>• Reviewing data entered into ABEST prior to final release.</li> <li>• Segregating the duties involving data collection, data entry, and approval of ABEST data.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	\$26.16	Certified With Qualification	See comments above for fiscal year 2000.
<b>B Outcome</b> Total Average Monthly Premiums	2000	\$174.68	Certified With Qualification	To ensure continued accuracy the Commission should document procedures for: <ul style="list-style-type: none"> <li>• Collecting and reviewing data before submission to the ABEST coordinator.</li> <li>• Reviewing data entered into ABEST prior to final release.</li> <li>• Segregating the duties involving data collection, data entry, and approval of ABEST data.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.

**Performance Measure Certification Results  
for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001**

<b>Related Objective or Strategy, Classification, and Description of Measure</b>	<b>Fiscal Year</b>	<b>Results Reported</b>	<b>Certification Results</b>	<b>Auditor Comments</b>
<b>B.1.5 Efficiency</b> Average SMIB Premium per Month	2000	\$45.50	Certified With Qualification	To ensure continued accuracy the Commission should document procedures for: <ul style="list-style-type: none"> <li>Collecting and reviewing data before submission to the ABEST coordinator.</li> <li>Reviewing data entered into ABEST prior to final release.</li> <li>Segregating the duties involving data collection, data entry, and approval of ABEST data.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	\$45.50	Certified With Qualification	See comments above for fiscal year 2000.
<b>B.1.7 Output</b> Number of Undocumented Aliens Served	2000	5,062	Certified With Qualification	To ensure continued accuracy the Commission should document procedures for: <ul style="list-style-type: none"> <li>Collecting and reviewing data before submission to the ABEST coordinator.</li> <li>Reviewing data entered into ABEST prior to final release.</li> <li>Segregating the duties involving data collection, data entry, and approval of ABEST data.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	6,003	Certified With Qualification	See comments above for fiscal year 2000.
<b>B.1.8 Efficiency</b> Average Cost per Prescription	2000	\$42.84	Certified With Qualification	To ensure continued accuracy the Commission should document procedures for: <ul style="list-style-type: none"> <li>Collecting and reviewing data before submission to the ABEST coordinator.</li> <li>Reviewing data entered into ABEST prior to final release.</li> <li>Segregating the duties involving data collection, data entry, and approval of ABEST data.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	\$45.34	Certified With Qualification	See comments above for fiscal year 2000.



Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
E.1.1 Efficiency Average Number of Days to Certify or Verify Records	2000	22	Certified With Qualification	To ensure continued accuracy the Commission should document procedures for: <ul style="list-style-type: none"> <li>Collecting and reviewing data before submission to the ABEST coordinator.</li> <li>Reviewing data entered into ABEST prior to final release.</li> <li>Segregating the duties involving data collection, data entry, and approval of ABEST data.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	26	Certified With Qualification	See comments above for fiscal year 2000.
<p>A measure is <b>Certified</b> if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>A measure is <b>Certified With Qualification</b> when reported performance is within +/- 5 percent, but the controls over data collection and reporting are not adequate to ensure continued accuracy.</p> <p><b>Factors Prevented Certification</b> when actual performance cannot be determined because of inadequate controls and insufficient documentation.</p> <p>A measure is <b>Inaccurate</b> when reported performance is not within +/-5 percent of actual performance or if there is an error rate of five percent or more in supporting documentation.</p> <p>A measure is <b>Not Applicable</b> when performance is justifiably not reported.</p>				

Source: ABEST reports for fiscal year 2000 and the first quarter of fiscal year 2001

## Department of Health

### Key Performance Measures

- Average Cost per Surveillance Activity
- Number of Enforcement Actions Taken

At the Department of Health (Department), factors prevented the certification of the performance measures Average Cost per Surveillance Activity and Number of Enforcement Actions Taken for fiscal year 2000 and for the first quarter of fiscal year 2001.

Performance could not be verified due to the lack of documentation supporting the reported performance for the measures. For the Average Cost per Surveillance Activity, the Department was unable to support all the surveillance activities included in its count. For Number of Enforcement Actions Taken, the Department did not have the inspection reports containing the number of enforcement actions taken or notice of violation letters to support the numbers reported in ABEST. Consequently, we were unable to determine whether the data reported in ABEST is correct.

Additionally, for these measures the Department did not have policies and procedures in place for collection, calculation, entry, and review of data prior to its submission to the ABEST coordinator.

### Recommendations:

We recommend that the Department:

- Require each of the divisions to submit to the Department itemized surveillance activity lists for each reporting period.
- Require each of the divisions to submit monthly to the Department the inspection reports containing the number enforcement actions taken for the month and to retain notice of violation letters.
- Document and implement policies and procedures for collecting, calculating, and reviewing data before submission to the ABEST coordinator.

# Management Response



## Texas Department of Health

Charles E. Bell, M.D.  
Executive Deputy Commissioner

1100 West 49th Street  
Austin, Texas 78756-3199  
(512) 458-7111  
<http://www.tdh.state.tx.us>

### TEXAS BOARD OF HEALTH

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August 2, 2001

Lawrence F. Alwin, CPA  
State Auditor's Office  
Robert E. Johnson Building  
1501 North Congress, Suite 4.224  
Austin, Texas 78701

Dear Mr. Alwin:

We agree with the recommendations as stated in the State Auditor's Office (SAO) letter of July 24, 2001, concerning the findings identified in the SAO's DRAFT REPORT ON PERFORMANCE MEASURES conducted in the spring of 2001. The Texas Department of Health began implementing an interim corrective action plan to address the findings immediately following the exit conference with the SAO on May 22, 2001.

The corrective action plan (see the attachment) will help ensure:

- The accountability and timeliness in addressing the audit findings and facilitate a rapid response to the findings in the SAO's Final Report.
- The proper documentation of surveillance activities and enforcement actions to permit accurate calculations of performance measures.
- The verification of the accuracy of data on performance measures entered into the Automated Budget and Evaluation System of Texas.

Thank you for providing us with the opportunity to review the SAO's draft recommendations from the Performance Measures audit. If you have any questions please have your staff contact Wendy Francik, Office of Policy and Planning, at (512) 459-7261.

Sincerely,

A handwritten signature in cursive that reads "C. E. Bell, M.D.".

Charles E. Bell, M.D.  
Executive Deputy Commissioner

#### Attachment

cc: Joanna Peavy, SAO  
Vandita Zachairah, SAO  
Ben Delgado, TDH  
Mark Scott, TDH

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**TDH Interim Corrective Action Plan for SAO Findings on Key Performance Measures**

**Texas Department of Health  
FY2001 Interim Corrective Action Plan  
for FY2000 Performance Measure Findings  
from State Auditors Office**

**July 27, 2001**

**1**

TDH Interim Corrective Action Plan for SAO Findings on Key Performance Measures

Performance Measure	Finding	Direct Issues and Actions	Indirect Issues and Actions
A.1.2. Efficiency Average Cost per Surveillance Activity	<p><b>Factor Preventing Certification:</b></p> <p>1. No division in Bureau of Food and Drug Safety (BFDS) could reproduce a report of the exact numbers reported to ABEST.</p> <p>2. Five of six divisions in BFDS were unable to produce an itemized list of surveillance activities.</p>	<p><b>Short-term (60 days)</b></p> <p>1. Update numbers reported to ABEST for the previous quarter to ensure ABEST has accurate numbers. <b>Responsible staff:</b> Charlene Geren, Accountant VI, BFDS <b>Status:</b> 09-01-01 initiated as permanent practice</p> <p>2. Update numbers reported to ABEST for the previous quarter to ensure ABEST has accurate numbers. <b>Responsible staff:</b> Charlene Geren, Accountant VI, BFDS <b>Status:</b> 09-01-01 initiated as permanent practice</p>	<p><b>Short-term (60 days)</b></p> <p>1. Regions will be required to submit surveillance activity reports that are entered into the BFDS databases or spreadsheets. <b>Responsible staff:</b> Regional supervisor of BFDS inspectors; and BFDS Directors: Dan Sowards, Director, Manufactured Foods Division; Wendal Littlefield, Director, Milk and Dairy Products Division; Kirk Wiles, Director, Seafood Safety Division; Steve McAndrew, Director, Retail Foods Division; Cynthia Culmo, Director, Drugs and Medical Devices Division; Lee Jan, Director, Meat Safety Assurance Division. <b>Status:</b> 09-01-01 initiated as permanent practice</p> <p>2. Regions will be required to submit surveillance activity reports that are entered into BFDS databases or spreadsheets. <b>Responsible staff:</b> Regional supervisors of BFDS inspectors and BFDS Directors. <b>Status:</b> 09-01-01 initiated as permanent practice</p>

July 27, 2001

**TDH Interim Corrective Action Plan for SAO Findings on Key Performance Measures**

Performance Measure	Finding	Directly Related Issue(s) and Actions	Indirect Issues and Actions
<p><b>A.1.2.</b> Efficiency <b>Average Cost per Surveillance Activity</b> (continued)</p>		<p><b>Long-term (60 days+)</b></p> <p>1.a. The six BFDS divisions will keep quarterly logs of itemized surveillance activities. Logs will include surveillance date, name of inspector, and region. Logs will be maintained in divisions' databases or spreadsheets. <b>Responsible staff:</b> BFDS Directors <b>Status: 08-01-01 Initiated as permanent practice</b></p> <p><b>Long-term (60 days+)</b></p> <p>1.b.1. Seafood Safety division will generate a grid/map, numbering each square mile of bay water so that inspection activity reports will correspond to a grid number on a map. <b>Responsible staff:</b> Kirk Wiles, Director, Seafood Safety Division <b>Status: 08-01-01 due</b></p> <p><b>Long-term (60 days+)</b></p> <p>1.b.2. Assistant division director or corresponding position in a BFDS division will be responsible for ensuring that the logs are kept by each program. <b>Responsible staff:</b> BFDS Directors. <b>Status: 09-01-01 Initiated as permanent practice</b></p>	<p><b>Long-term (60 days+)</b></p> <p>1.a. Update all files and correct programming errors for all BFDS databases of surveillance activities converted to Visual Fox for managing their surveillance data. <b>Responsible staff:</b> Del Randall, Automation Supervisor <b>Status: 09-01-01 Initiated 12-01-01 due</b></p> <p><b>Short-term (60 days)</b></p> <p>1.b.1. - 1.b.2. None</p> <p><b>Long-term (60 days+)</b></p> <p>1.b.1. - 1.b.2. None</p>

July 27, 2001

**TDH Interim Corrective Action Plan for SAO Findings on Key Performance Measures**

Performance Measure	Finding	Directly Related Issue(s) and Actions	Indirect Issues and Actions
<p><b>A.1.3. Output Number of Enforcement Actions Taken</b></p>	<p><b>Factor Preventing Certification:</b></p> <ol style="list-style-type: none"> <li>The measure definition was not followed during the calculation of the measure result.</li> <li>No inspection reporting was available containing the number of enforcement actions taken or notices of violation letters</li> </ol>	<p><b>Short-term (60 days)</b></p> <ol style="list-style-type: none"> <li>Let all persons know of definition of Enforcement Action and count only those actions reported by those authorized.</li> </ol> <p><b>Responsible staff:</b> Claren Kotrla, Chief, Bureau of Environmental Health <b>Status: 09/30/01 due</b></p> <p><b>2.a.</b> Improve ability to validate the number of enforcement actions by re-organizing the manual filing systems to ensure the source documents can be located efficiently. Source documents will include inspection reports containing number of enforcement actions taken for the month along with notice of violation letter. <b>Responsible staff:</b> Claren Kotrla, Chief, Bureau of Environmental Health <b>Status: 09/30/01 due</b></p> <p><b>2.b.</b> Improve existing database tracking system to produce quarterly reports that can be used to track inspection and enforcement actions. <b>Responsible staff:</b> Claren Kotrla, Chief, Bureau of Environmental Health <b>Status: 09/30/01 due</b></p>	<p><b>Short-term (60 days)</b></p> <ol style="list-style-type: none"> <li>None</li> <li>a. - 2.c. None</li> </ol> <p><b>Long-term (60 days+)</b></p> <ol style="list-style-type: none"> <li>None</li> <li>a. - 2.c. None</li> </ol>

**July 27, 2001**

**TDH Interim Corrective Action Plan for SAO Findings on Key Performance Measures**

Performance Measure	Finding	Directly Related Issue(s) and Actions	Indirect Issues and Actions
<p><b>A.1.3. Output Number of Enforcement Actions Taken (continued)</b></p>		<p>2.c. Develop and implement policies and procedures for the review and reporting of data into the activity database, and the independent review and documentation of the data used to generate the performance number.  <b>Responsible staff:</b>                      Claren Kotzla, Chief, Bureau of Environmental Health  <b>Status: 09/30/01 due</b>   <b>Long-term (60 days+)</b>                      1. None                      2.a. -2.c. None</p>	

July 27, 2001



**TDH Interim Corrective Action Plan for SAO Findings on Key Performance Measures**

Performance Measure	Finding	Directly Related Issue(s) and Actions	Indirect Issues and Actions
<p><b>A.2.1.</b> Average Cost per Surveillance Activity</p> <p><b>B.1.</b> Total Average Monthly Cost</p> <p><b>B.1.5.</b> Average SMIB Premium per Month</p> <p><b>B.1.7.</b> Number of Undocumented Aliens Served</p> <p><b>B.1.8.</b> Average Cost per Prescription</p> <p><b>E.1.1.</b> Average Number of Days to Certify or Verify Records</p>	<p><b>Certified with Qualifications</b></p> <p>1. The agency needs to document and implement policies and procedures for the review and reporting of data into ABEST. Review of data should be documented.</p> <p>2. No independent review of data input into the Excel spreadsheet that generates the performance number.</p>	<p><b>Short-term (60 days)</b></p> <p>1. Budget and Revenue Division will implement a plan for verification of ABEST data entry by a person who did not perform the data entry. <b>Responsible staff:</b> Charlie Creech, Budget and Revenue <b>Start Date: 05/01/2001</b></p> <p>2. The Budget and Revenue Division will document which employee performed data entry and which employee verified the data entry. <b>Responsible staff:</b> Charlie Creech, Budget and Revenue <b>Start Date: 05/01/2001</b></p> <p><b>Long-term (60 days+)</b></p> <p>1. - 2. None</p>	<p><b>Short-term (60 days)</b></p> <p>1. Change in Budget Office procedures for entry of performance measure data into ABEST. <b>Responsible staff:</b> Charlie Creech, Budget and Revenue <b>Start Date: 05/01/2001</b></p> <p>2. None</p> <p><b>Long-Term (60days+)</b></p> <p>1. - 2. None</p>

July 27, 2001

## Health and Human Services Commission (Agency 529)

Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>A Outcome</b> Number of Interagency Administrative Support Initiatives	2000	11	Inaccurate	Based on the documentation provided by the Commission, the actual number was 10, resulting in a variance of 9 percent from the reported result. The Commission needs to ensure accuracy of ABEST data by documenting and implementing procedures for: <ul style="list-style-type: none"> <li>• Collecting and reviewing data before submission to the ABEST coordinator.</li> <li>• Reviewing and approving data entries before release into ABEST.</li> </ul> The Commission should obtain guidance from the Legislative Budget Board and the Governor's Office of Budget and Planning in defining "Administrative Support Initiatives" in the definition.
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Reported on an annual basis.
<b>B.1.1 Output</b> Number of Interagency Medicaid Projects	2000	21	Certified	
	2001 (1 <sup>st</sup> quarter)	7	Certified	
<b>B.1.1 Efficiency</b> Average Monthly Cost for CHIP II Children	2000	\$108.48	Not Applicable	This is a new measure. Senate Bill 445 (76 <sup>th</sup> Legislature, Regular Session) states that the Commission is required to begin reporting data for this measure in fiscal year 2001.
	2001 (1 <sup>st</sup> quarter)	\$98.28	Factors Prevented Certification	See finding.
<b>B.1.1 Efficiency</b> Average Monthly Cost for Legal Immigrant Children	2000	\$104.33	Not Applicable	This is a new measure. Senate Bill 445 (76 <sup>th</sup> Legislature, Regular Session) states that the Commission is required to begin reporting data for this measure in fiscal year 2001.
	2001 (1 <sup>st</sup> quarter)	\$92.96	Factors Prevented Certification	See finding.

**Performance Measure Certification Results  
for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001**

Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
B.1.2 Efficiency  Cost per Completed Medicaid Provider Investigation	2000	\$689.35	Inaccurate	<p>Based on documentation provided by the Commission, the actual cost was \$495.25, resulting in a variance of 28 percent from the reported result. The Commission did not include all four quarters of performance measure data in the calculation.</p> <p>The Commission needs to ensure accuracy of ABEST data by documenting and implementing procedures for:</p> <ul style="list-style-type: none"> <li>• Collecting and reviewing data before submission to the ABEST coordinator.</li> <li>• Reviewing and approving data entries before release into ABEST.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	\$1,671.00	Inaccurate	<p>Based on documentation provided by the Commission, the actual cost was \$2,533, resulting in a variance of 51 percent from the reported result. According to the Commission, a database conversion error caused the problem.</p> <p>The Commission needs to ensure accuracy of ABEST data by documenting and implementing procedures for:</p> <ul style="list-style-type: none"> <li>• Collecting and reviewing data before submission to the ABEST coordinator.</li> <li>• Reviewing and approving data entries before release into ABEST.</li> </ul>

A measure is **Certified** if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.

A measure is **Certified With Qualification** when reported performance is within +/- 5 percent, but the controls over data collection and reporting are not adequate to ensure continued accuracy.

**Factors Prevented Certification** when actual performance cannot be determined because of inadequate controls and insufficient documentation.

A measure is **Inaccurate** when reported performance is not within +/-5 percent of actual performance or if there is an error rate of five percent or more in supporting documentation.

A measure is **Not Applicable** when performance is justifiably not reported.

Source: ABEST reports for fiscal year 2000 and the first quarter of fiscal year 2001

## Health and Human Services Commission

### Key Performance Measures

- Average Monthly Cost for CHIP II Children
- Average Monthly Cost for Legal Immigrant Children

At the Health and Human Services Commission (Commission), factors prevented the certification of the measures Average Monthly Cost for CHIP II Children and Average Monthly Cost for Legal Immigrant Children.

The Commission did not follow the measure definitions documented in ABEST, and reported performance for these measures could not be verified for fiscal year 2001. Contrary to the measure definition, the Commission excluded program administrative costs, included vaccine and dental costs, estimated vaccine costs, and used ratios for costs for both legal immigrants and CHIPS II children. The Commission reported the fourth quarter data as the year-to-date number for the measure Average Monthly Cost for CHIP II children.

Additionally, the Commission's policies and procedures for the measure Average Monthly Cost for CHIP II Children do not detail the process for data collection and calculation.

### Recommendations:

We recommend that the Commission:

- Obtain approval from the Legislative Budget Board and the Governor's Office of Budget and Planning to amend measure definitions so that definitions match the calculation method currently used and state whether actual or estimated costs will be used.
- Calculate year-to-date figures using four quarters of performance measure data.
- Document comprehensive policies and procedures, obtain approval from appropriate management, distribute the policies and procedures to appropriate staff, and implement the procedures.

# Management Response



## TEXAS HEALTH AND HUMAN SERVICES COMMISSION

Don A. Gilbert, M.B.A.  
COMMISSIONER

August 16, 2001

Vandita Zachariah  
Project Director  
State Auditors Office  
Robert E. Johnson Building  
1501 North Congress Avenue, Ste. 4.224  
Austin, TX 78701

Austin, Texas 78711

Dear Ms. Zachariah:

In Spring FY 2001, the State Auditors Office (SAO) conducted an audit on the Performance Measures of the Health and Human Services Commission (Commission).

We appreciate the SAO team pointing out the need for improved documentation of policies and procedures for reporting on performance measures. The Commission has begun the process of addressing this through the following steps:

October 15, 2001: Commissioner will charge an internal work group made up of managers assigned to agency performance measures to develop policies and procedures particular to each measure and assist in the clarification of measure definitions. The work group will be led by the Associate Commissioner for Research, Planning and Evaluation.

October 31, 2001: Commissioner will designate staff to work with the Legislative Budget Board and the Governor's Office for Budget and Planning to adopt improved performance measures definitions for those measures included in SAO recommendations.

April 1, 2002: The internal workgroup will deliver policies and procedures particular to each measure and clarification of measure definitions. These policies and procedures will also ensure accuracy of ABEST data by documenting and implementing procedures for:

- Collecting and reviewing data before submission to the ABEST Coordinator.
- Reviewing and approving data entries before release into ABEST.

P. O. Box 13247 • Austin, Texas 78711 • 4900 North Lamar, Fourth Floor, Austin, Texas 78751

April 1 – June 1, 2001: Commissioner will designate staff to work with the Legislative Budget Board and the Governor's Office for Budget and Planning to adopt improved performance measures and definitions for inclusion in the 2004- 2005 Legislative Appropriations Request.

Management's response to the specific SAO recommendations and comments are as follows:

SAO Recommendation

Obtain approval from the Legislative Budget Board and the Governor's Office of Budget and Planning to amend the measure definition so that the definitions match the calculation method currently used and state whether actual or estimated costs will be used.

Management Response

Management concurs with this recommendation. The internal workgroup cited above will develop policies and procedures particular to each measure and will clarify measure definitions.

SAO Recommendation

That the Commission calculate year-to-date figures using four quarters of performance measure data.

Management Response

Management concurs with this recommendation. The definition of the measure in question included wording that implied that fourth quarter figures were to be reported as year-to-date figures. As described above, an internal workgroup will revisit and clarify ambiguous definitions.

SAO Recommendation

That the Commission document comprehensive policies and procedures, obtain approval from appropriate management, distribute the policies and procedures to appropriate staff, and implement the procedures.

Management Response

Management agrees that policies and procedures should be developed for all measures. As described above, an internal workgroup will develop and document policies and procedures for each measure. Policies and procedures will be written to augment measure definitions by defining the process used to collect data and by specifying data limitations and further defining data groups.

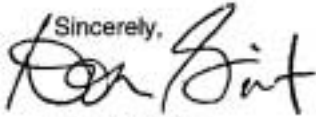
SAO Recommendation

That the Commission obtain approval from the Legislative Budget Board and Governor's Office for Budget and Planning for measure calculation changes.

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Management Response

Management concurs with this recommendation and has recently submitted several definition adjustments to legislative oversight to clarify calculation methodologies related to the Children's Health Insurance Program (CHIP). Agency managers assigned to performance measures will continue to work with the Legislative Budget Board and the Governor's Office of Budget and Planning with the assistance of the Planning and Evaluation staff to clearly define calculation methods used, particularly those associated with the Children's Health Insurance Program.

Sincerely,  


Don A. Gilbert

DG:KB:JCK

**Department of Mental Health and Mental Retardation**  
(Agency No. 655)

Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>A Outcome</b> Percent of Adult Customers Receiving MH Community Services Whose Functional Level Stabilized or Increased	2000	86.4%	Inaccurate	Sample documentation tested resulted in a 6.6 percent error rate. The Department deviated from the measure definition because it included adult customers who had received assessments regarding their functional ability within 90 days of previous evaluations. The definition requires the Department to count adult customers with evaluations more than 90 days apart.  The Department should document and implement procedures for collecting, calculating, and reviewing data before submitting it to the ABEST coordinator. Furthermore, the Department should retain evidence of management's review and approval of ABEST data.  The Department should ensure that community staff members enter accurate, complete, and timely data into the Client Assignment Registration system (CARE).
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Reported on an annual basis.



**Performance Measure Certification Results  
for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001**

Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>A.1.3 Output</b> Average Monthly Number of Community Customers Receiving New Generation Medications	2000	24,305	Inaccurate	Sample documentation tested resulted in 6 errors out of 10 clinical records reviewed. In some instances clinical records did not support clients receiving new generation medicines and in other instances customers receiving these medicines were not counted.  The Department should document and implement procedures for collecting, calculating, and reviewing data before submitting it to the ABEST coordinator. Furthermore, the Department should retain evidence of management's review and approval of ABEST data.  The Department should ensure that community staff members enter accurate, complete, and timely data in CARE.
	2001 (1 <sup>st</sup> quarter)	21,189	Inaccurate	Sample documentation tested resulted in a 16.1 percent error rate. See comments above for fiscal year 2000.
<b>A.1.5 Output</b> Average Monthly Number of Children Receiving Treatment Services	2000	21,430	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter)	17,938	Factors Prevented Certification	See finding.

**Performance Measure Certification Results  
for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001**

Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>B Outcome</b> Percent of Customers Receiving MH Campus Services Whose Functional Level Stabilized or Increased	2000	97.4%	Certified With Qualification	To ensure continued accuracy the Department should document and implement procedures for collecting, calculating, and reviewing data before submitting it to the ABEST coordinator. Furthermore, the Department should retain evidence of management's review and approval of ABEST data.  The Department should ensure that facility staff members enter accurate, complete, and timely data in CARE.
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Reported on an annual basis.

**Performance Measure Certification Results  
for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001**

Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>B.1.1 Output</b> Average Monthly Number of Psychiatric Facility Customers Receiving Mental Health New Generation Medication Services	2000	1,997	Inaccurate	Based on documentation provided by the Department, the actual number was 2,137, resulting in a variance of 7 percent from the reported result. Data entry backlog at facilities caused the variance. The Department did not update CARE with current numbers of psychiatric facility customers receiving new generation medicines when information was available.  The Department should document and implement procedures for collecting, calculating, and reviewing data before submitting it to the ABEST coordinator. Furthermore, the Department should retain evidence of management's review and approval of ABEST data.  The Department should ensure that facility staff members enter accurate, complete, and timely data in CARE.
	2001 (1 <sup>st</sup> quarter)	2,425	Inaccurate	Sample documentation tested resulted in a 5 percent error rate. In some instances clinical records did not support clients receiving new generation medicines and in other instances customers receiving these medicines were not counted.  The Department needs to document and implement procedures for collecting, calculating, and reviewing data before submitting it to the ABEST coordinator. Furthermore, the Department should retain evidence of management's review and approval of ABEST data.  The Department should ensure that facility staff members enter accurate, complete, and timely data in CARE.

**Performance Measure Certification Results  
for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001**

Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>B.1.1 Efficiency</b>  Average Monthly Cost per Psychiatric Facility Customer Receiving New Generation Medication Services	2000	\$294.76	Inaccurate	Based on documentation provided by the Department, the actual cost was \$269.71, resulting in a variance of 8.5 percent from the reported result. Data entry backlog at facilities caused the variance. The Department did not update CARE with current numbers of psychiatric facility customers receiving new generation medicines when information was available.  The Department should document and implement procedures for collecting, calculating, and reviewing data before submitting it to the ABEST coordinator. Furthermore, the Department should retain evidence of management's review and approval of ABEST data.  The Department should ensure that facility staff members enter accurate, complete, and timely data in CARE.
	2001 (1 <sup>st</sup> quarter)	\$240.99	Inaccurate	Sample documentation tested resulted in a 5 percent error rate. In some instances clinical records did not support clients receiving new generation medicines and in other instances customers receiving these medicines were not counted.  The Department should document and implement procedures for collecting, calculating, and reviewing data before submitting it to the ABEST coordinator. Furthermore, the Department should retain evidence of management's review and approval of ABEST data.  The Department should ensure that facility staff members enter accurate, complete, and timely data in CARE.

**Performance Measure Certification Results  
for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001**

Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>C Outcome</b> Number of Customers Moved from Mental Retardation Campus to Community	2000	141	Inaccurate	Sample documentation tested resulted in a 7 percent error rate. Dates clients discharged from a facility were either not entered in CARE or discharge dates in CARE did not match the dates on Community Living Discharge Summary Forms.  The Department needs to document and implement procedures for collecting, calculating, and reviewing data before submitting it to the ABEST coordinator. Furthermore, the Department should retain evidence of management's review and approval of ABEST data.  The Department should ensure that facility and community center staff members enter accurate, complete, and timely data in CARE.
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Reported on an annual basis.
<b>C.1.4 Output</b> Average Monthly Number of Customers Served in HCS	2000	5,260	Certified With Qualification	To ensure continued accuracy the Department should document and implement procedures for collecting, calculating, and reviewing data before submitting it to the ABEST coordinator. Furthermore, the Department should retain evidence of management's review and approval of ABEST data.  The Department should ensure that facility staff members enter accurate, complete, and timely data in CARE.
	2001 (1 <sup>st</sup> quarter)	5,642	Certified With Qualification	See comments above for fiscal year 2000.

**Performance Measure Certification Results  
for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001**

Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
C.1.4 Efficiency  Average Monthly Cost per Customer Served in HCS	2000	\$3,751	Certified With Qualification	To ensure continued accuracy the Department needs to document and implement procedures for collecting, calculating, and reviewing data before submitting it to the ABEST coordinator. Furthermore, the Department should retain evidence of management's review and approval of ABEST data.
	2001 (1 <sup>st</sup> quarter)	\$3,747	Inaccurate	Based on documentation provided by the Department, the actual cost was \$3,466, resulting in a variance of 7.5 percent from the reported result. Data for one month was reported with numbers transposed rather than data for the quarter.  See comments above for fiscal year 2000.

**Performance Measure Certification Results  
for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001**

Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<p><b>D Outcome</b> Average Number of Days MR Campus Residents Recommended for Community Placement Wait for Placement</p>	2000	601.85	Inaccurate	<p>Based on documentation provided by the Department, the actual number was 714.28, resulting in a variance of 18.7 percent from the reported result. The Department deviated from the definition and included in its calculation the number of days for clients who have placement recommendations but who have not been placed. The definition does not include clients who have not been placed.</p> <p>The Department should document and implement procedures for collecting, calculating, and reviewing data before submitting it to the ABEST coordinator. Furthermore, the Department should retain evidence of management's review and approval of ABEST data.</p> <p>The Department should ensure that facility coordinators enter accurate and timely data in CARE. In addition, the coordinators should ensure that all relevant information supporting the numbers reported is retained in client files.</p>
	2001 (1 <sup>st</sup> quarter )	Not Applicable	Not Applicable	Reported on an annual basis.
<p>A measure is <b>Certified</b> if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>A measure is <b>Certified With Qualification</b> when reported performance is within +/- 5 percent, but the controls over data collection and reporting are not adequate to ensure continued accuracy.</p> <p><b>Factors Prevented Certification</b> when actual performance cannot be determined because of inadequate controls and insufficient documentation.</p> <p>A measure is <b>Inaccurate</b> when reported performance is not within +/-5 percent of actual performance or if there is an error rate of five percent or more in supporting documentation.</p> <p>A measure is <b>Not Applicable</b> when performance is justifiably not reported.</p>				

Source: ABEST reports for fiscal year 2000 and the first quarter of fiscal year 2001

## Department of Mental Health and Mental Retardation

### Key Performance Measure

- **Average Monthly Number of Children Receiving Treatment Services**

At the Department of Mental Health and Mental Retardation (Department), factors prevented the certification of the measure Average Monthly Number of Children Receiving Treatment for fiscal year 2000 and the first quarter of fiscal year 2001.

Reported performance for the measure could not be verified due to the lack of documentation supporting the number of children receiving treatment services. Community center clinical records did not include information supporting treatment services provided to all children. Consequently, we were unable to determine whether the data reported in ABEST is correct.

The Department uses two databases, Client Assignment Registration (CARE) System and NorthStar, to report the performance for this measure. Although data in CARE is current, data in NorthStar lags by a quarter due to lags in billing from behavioral health organizations that provide treatment services to children. Consequently, the Department used previous quarter data for each quarter in fiscal year 2000 and 2001 and did not update this information in ABEST when relevant data was available.

In addition, the Department does not have policies and procedures in place for collection, calculation, entry, and review of data before it is submitted to ABEST.

### Recommendations:

We recommend that the Department:

- Ensure that community centers retain progress notes supporting mental health treatment services provided.
- Obtain approval from the Legislative Budget Board and the Governor's Office of Budget and Planning to establish a calculation methodology that will allow using historical or projected data for reporting purposes. The Department should update the data in ABEST as soon as current information is available.
- Document policies and procedures for the collection, calculation, entry, and review of data before and after it is submitted to ABEST.



# Management Response

Texas Department of  
Mental Health and Mental Retardation  
Karna F. Hale, M.S.S.A.  
Commissioner



Central Office  
P.O. Box 12067  
Austin, TX  
78711-2067  
(512) 454-3783

August 8, 2001

Vandita Zachariah  
Project Manager  
State Auditor's Office  
P. O. Box 12067  
Austin, Texas 78711-2067

Dear Ms. Zachariah:

This letter is in response to the draft of your audit report on Performance Measures dated July 26, 2001. The Department acknowledges agreement with your findings and comments. The following addresses the primary actions to be taken by the Department to improve our ability to verify our performance measurements as reported to ABEST.

**Measure:**

**Average Monthly Number of Children Receiving Treatment Services**

**Recommendation:**

- Work with the Legislative Budget Board and the Governor's Office for Budget and Planning to establish a calculation methodology that will allow for the use of historical or projected data for reporting purposes. The Department should update the data in ABEST as soon as current information is available.

Department Response:

This recommendation refers specifically to data from the NorthSTAR pilot that calculates services received based on billing (claims paid) information. The providers are given a window for billing which results in up to three months lag time for receipt of the data. The intent, as discussed with the LBB and the GOBP, has been to use prior quarter data until sufficient data was obtained to establish trends, then to use projected data. Since the NorthSTAR services have been separated from other community services in the Department's strategy structure for fiscal years 2002 - 2003, this data lag will not be an issue in the future. For fiscal year 2001, all affected measures are being updated each quarter in ABEST.

- Document policies and procedures for data collection, data calculation, and data entry and data review before data entry and after data entry prior to its submission to ABEST.

Department Response:

Policies and procedures for all aspects of the performance measurement process will be developed by the ABEST Coordinator in collaboration with the program and financial divisions of the Department. The projected date for completion of these policies and procedures is March 2002. The Department has created a new full-time position for performance measurement. This position will be the identified ABEST Coordinator and be responsible for calculations and for ensuring that all data is reviewed by a manager prior to entry into ABEST. All ABEST entries will be reviewed by a second party following input and prior to completing the entries. Documentation of both reviews will be retained in the Coordinator's files.

- Ensure that the Community Centers retain progress notes supporting mental health treatment services provided.

Department's Response

Beginning in fiscal year 2001, the performance contracts with local authorities require quarterly self-audits of the accuracy of service performance reported in CARE. The Department's office of Quality Management reviews the local authority self-audits to ensure their accuracy and conformance with the Department's *Data Verification Criteria Manual*. This data verification process will be modified for fiscal year 2002 to include measures that were not previously audited.

Additionally, the Office of Internal Audit will conduct a full performance audit of the department's performance measures collection and reporting procedures during fiscal year 2002. This internal audit will cover the entire performance measurement process including the community system as well as the state facility system.

**Auditor Comments on Other Measures:**

- The Department needs to document and implement procedures for collecting, calculating, and reviewing data before submitting it to the ABEST Coordinator.

Furthermore, the Department should retain evidence of management's review and approval of ABEST data.

Department's Response

Policies and procedures for all aspects of the performance measurement process will be developed by the ABEST Coordinator in collaboration with the program and financial divisions of the Department. The projected date for completion of these policies and procedures is March 2002.

As noted above, a new full-time position will be responsible for performance measurement including calculations, obtaining management review of data prior to entry into ABEST, and maintaining documentation of compliance with the procedures each quarter.

- The Department should ensure that community staff enter accurate, complete, and timely data into the Client Assignment Registration system (CARE).

Department's Response

The Department has added language to the performance contracts with the local authorities that emphasizes the accuracy and timeliness of CARE data. Failure to comply with this requirement now carries a penalty of \$5,000 per quarter. The Department will monitor compliance by the local authorities on a quarterly basis through the data verification process mentioned above.

- The Department should ensure that facility coordinators enter accurate and timely data in CARE. In addition, the coordinators should ensure that all relevant information supporting the numbers reported is retained in client files.

Department's Response

Staff of the Office of Quality Services Oversight for State Mental Health Facilities has developed a data integrity review process and will be visiting each facility annually to review samples of data in the CARE system against clinical record information. Facility quality management staff will be trained in the process so that they may conduct self-reviews at the facility level.

Staff at the state mental retardation facilities are reviewing information for accuracy prior to placement in the clinical record. Central Office facility staff are in the process of implementing a data verification process, using sampling techniques, to ensure that the data in the CARE System is consistent with information in the clinical record.

Vandita Zachariah  
State Auditor's Office  
Performance Measure Audit  
Page 4

We appreciate this opportunity to review the results of your audit and to share our plans to correct the problems identified. We trust that future audits by your office will find significant improvement in our performance measurement process.

Sincerely,



Karen F. Hale  
Commissioner

cc: Gerry McKimney, Deputy Commissioner for Community Programs  
Bill Campbell, Deputy Commissioner for Finance and Administration  
Kenny Dudley, Director, State Mental Health Facilities  
Bob Kifowit, Director, State Mental Retardation Facilities  
Tom Martinec, Director, Internal Audit

**Parks and Wildlife Department**  
(Agency No. 802)

Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>A Outcome</b> Percent of Maintenance Needs Met	2000	99.6%	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.
<b>A Outcome</b> Percent of Repair Needs Met	2000	51.0%	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.
<b>B Outcome</b> Annual Percent Change in Opportunities Provided For Youth, Minorities, and the Physically Challenged	2000	18.3%	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.
<b>C Outcome</b> Conviction Rate For Hunting, Fishing, And License Violators	2000	81.0%	Certified	
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.
<b>C Outcome</b> Conviction Rate For Water Safety Violators	2000	86.0%	Certified	
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.

**Performance Measure Certification Results  
for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001**

Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
C Outcome Percent of Fish and Wildlife Kills or Pollution Cases Resolved Successfully	2000	83.0%	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.

A measure is **Certified** if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.

A measure is **Certified With Qualification** when reported performance is within +/- 5 percent, but the controls over data collection and reporting are not adequate to ensure continued accuracy.

**Factors Prevented Certification** when actual performance cannot be determined because of inadequate controls and insufficient documentation.

A measure is **Inaccurate** when reported performance is not within +/-5 percent of actual performance or if there is an error rate of five percent or more in supporting documentation.

A measure is **Not Applicable** when performance is justifiably not reported.

Source: ABEST reports for fiscal year 2000 and the first quarter of fiscal year 2001

## Parks and Wildlife Department

### Key Performance Measures

- Percent of Maintenance Needs Met
- Percent of Repair Needs Met
- Annual Percent Change in Opportunities Provided for Youth, Minorities, and the Physically Challenged
- Percent of Fish and Wildlife Kills or Pollution Cases Resolved Successfully

At the Parks and Wildlife Department (Department) factors prevented the certification of the performance measures listed above for fiscal year 2000. Performance data for these measures could not be verified due to the lack of supporting documentation.

For the Annual Percent Change in Opportunities Provided for Youth, Minorities, and the Physically Challenged, the Inland Fisheries Division of the Department was unable to support the number of special events conducted for target groups.

For the Percent of Fish and Wildlife Kills or Pollution Cases Resolved Successfully, the number of investigations and cases resolved in the Pollution Response Inventory and Species Mortality (PRISM) system did not reconcile with the results reported in ABEST. In addition, documentation retained in the regions did not support the reported performance.

For the Percent of Maintenance Needs Met, the Department reported performance based on funded needs for park maintenance. The definition states that the total number of needs identified by the Department should be included in the calculation. The Department did not collect and retain documentation on all maintenance needs identified and projects completed.

For the Percent of Repair Needs, the Department reported data on repairs, maintenance, construction, and acquisitions instead of reporting repair needs only.

Additionally, for all four measures policies and procedures for the collection, calculation, entry, and review of data prior to its submission to the ABEST coordinator were either insufficient or did not exist.

Recommendations:

We recommend that the Department:

- Maintain sufficient, relevant, and complete documentation to support the results reported into ABEST for these measures.
- Identify repairs, maintenance, construction, and acquisition expenditures separately to accurately calculate the performance for repair needs met.
- Develop and implement policies and procedures for collecting and reviewing performance data to be entered in ABEST.



# Management Response



COMMISSIONERS

LEE M. BASS  
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EXECUTIVE DIRECTOR

August 8, 2001

Vandita Zachariah  
Project Manager  
State Auditor's Office  
Robert E. Johnson Building  
1501 North Congress Avenue, Suite 4.224  
Austin, Texas 78701

Dear Ms. Zachariah:

Please find attached the department's response to the findings for the Performance Measures Phase 15 audit.

I want to compliment you on the professionalism displayed by your staff on this audit. It was beneficial to work with them. If you require additional information, please contact Julie Horstley at 389-4913.

Sincerely,

Andrew Sansom  
Executive Director

*Give Thanks for  
the Memories...*



Lone Star Legacy.

*Give to the  
Lone Star Legacy  
Endowment Fund!*

Attachment

4000 SMITH SCHOOL ROAD  
AUSTIN, TEXAS 78744-0001  
512-238-6800  
WWW.TPWD.TX.GOV

*To manage and conserve the natural and cultural resources of Texas for the  
use and enjoyment of present and future generations.*

**Texas Parks and Wildlife Department's Response:**

Management Response

*Audit Recommendations:*

We recommend that the Department:

- Maintain sufficient, relevant, and complete documentation to support the results reported into ABEST for these measures.
- Identify repairs, maintenance, construction, and acquisition expenditures separately to accurately calculate the performance for repair needs met.
- Develop and implement policies and procedures for collecting and reviewing performance data to be entered in ABEST.

*Response: The Department agrees that improvements can be made in the above areas, and as described below for each specific measure, has taken steps to ensure that these recommendations are addressed.*

*In the area of developing and implementing policies and procedures, the Department is reviewing all measures and developing guidelines for use by Austin staff in reporting measures information to the ABEST coordinator. In addition, general guidelines, procedures, and checklists related to review of information, documentation, and other aspects of performance reporting have been developed.*

*Where applicable, individual divisions will develop more detailed and comprehensive policies and procedures to be used by program/field staff responsible for collecting the information. The Resource Protection division has already initiated a process to develop new procedures related to pollution and kill investigations. In addition, various division staff have been involved in development of procedures aimed at standardizing collection and reporting of events information.*

*Measure/Issue Specific Responses:*

*Audit Issue: For the Annual Percent Change in Opportunities Provided for Youth, Minorities, and the Physically Challenged, the Inland Fisheries Division of the Department was unable to support the number of special events conducted for target groups.*

*Response: In response to a previous audit of performance measures (Feb. 1996), the Inland Fisheries Division developed a computerized tracking system to document the number of events conducted. This system houses*

*detailed information on events held, including event name, date, number of participants and event sponsor contact information (name and telephone), and is the source from which the division reports on the number of events. Due to timing issues with data entry, totals on the system reports for FY 2000 (run as of spring 2001 and provided to the auditor) differed slightly from the totals on system reports run as of October 2000 for FY 2000 reporting.*

*In an effort to ensure that adequate support documentation is available in the future, at the time of reporting the Inland Fisheries division will retain a hard copy print-out of the activity report, including summary information on number of events as well as the more detailed information on event date, name, location, and contact.*

*In addition, to ensure greater consistency in reporting, responsible divisions are in the process of developing guidelines regarding the definition of an event, how and when various events are counted for reporting purposes, and standard information to be collected.*

**Audit Issue:** For the Percent of Fish and Wildlife Kills or Pollution Cases Resolved Successfully, the number of investigations and cases resolved in the Pollution Response Inventory and Species Mortality (PRISM) system did not reconcile with the results reported in ABEST. In addition, documentation retained in the regions did not support the reported performance.

**Response :** *The Resource Protection division has initiated the process of developing new procedures/policies regarding investigations to ensure that adequate source documentation exists and that the documentation is consistent with the numbers reported for ABEST performance. Under the new policies, information used to report this measure will reside in PRISM and information will be reconciled on a regular basis. The policies will also encompass timely submission of information, review and quality control procedures, and document retention.*

**Audit Issue:** For the Percent of Maintenance Needs Met, the Department reported performance based on funded needs for park maintenance. The definition states that the total number of needs identified by the Department should be included in the calculation. The Department did not collect and retain documentation on all maintenance needs identified and projects completed.

**Response:** *The Department has been aware of this issue and in March 2001 requested that the measure name be changed to "Percent of Funded Maintenance Projects Completed" in order to more accurately reflect information reported under the measure.*

*The department is currently developing a Facilities Management System. Once the system is in place, we will be able to produce a comprehensive list of maintenance projects that should/need to be accomplished in each year, and will be able to identify need out 2 to 3 years in the future.*

*The Department plans to re-submit the request to change the measure. Once the FMS is in place, the department will revisit the measure. In addition, the State Parks Division will develop procedures to ensure that necessary information on maintenance projects identified and completed is collected and retained.*

**Audit Issue:** For the Percentage of Repair Needs, the Department reported data on repairs, maintenance, construction, and acquisitions instead of reporting repair needs only.

**Response:** *The source from which information was extracted for FY 2000 reporting purposes did not permit easy identification of non-repair expenditures. In the future, repair expenditures will be derived from an IFS report that will clearly identify amounts associated with construction, repair and maintenance. Staff will use this list to determine appropriate repair expenditures to include in the calculation.*

*In addition, detailed guidelines regarding identification of repair needs, documentation requirements and other areas have been developed and will be used for the 2002 reporting period.*

**Audit Issue:** For all four measures, policies and procedures for the collection, calculation, entry, and review of data prior to its submission to the ABEST coordinator were either insufficient or did not exist.

**Response:** *The department would like to note that currently there are several policies and procedures in place for various measures, including collection procedures for outreach and education information, investigation procedures for the Kills and Spills team, entry procedures for the Pollution Response Inventory and Species Mortality system, and others. At the same time, the Department acknowledges that improvements can be made in this area. The Department is in the process of reviewing all key measures and developing guidelines for each to ensure consistent, accurate and reliable reporting of information.*

TPWD contact: Julie Horsley (389-4913)

**Department of Protective and Regulatory Services**  
(Agency 530)

Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>A Outcome</b>  Percent of CYD Youth With Improved TAAS Scores	2000	58.5%	Inaccurate	Based on documentation provided by the Department, actual performance was 78.18 percent resulting in a 33.6 percent variance from the reported result. The Department counted the number of Texas Assessment of Academic Skills (TAAS) exams rather than the number of students with improved scores. In addition, the Department did not include all students who took the exam in two consecutive years, as the definition requires.  The Department should obtain clarification from the Legislative Budget Board and the Governor's Office of Budget and Planning regarding the calculation methodology.
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.
<b>A Outcome</b>  Percent of Validated Occurrences Where Children are Placed at Serious Risk	2000	21.64%	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.
<b>A.1.2 Output</b>  Number of Completed CPS Investigations	2000	121,732	Certified	
	2001 (1 <sup>st</sup> quarter)	25,503	Certified	

**Performance Measure Certification Results  
for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001**

Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>A.1.2 Efficiency</b>  Average Weighted CPS Caseload per Worker	2000	25.1	Inaccurate	Sample documentation tested resulted in a 12.9 percent error rate. The Department did not correctly compute the full time equivalent (FTE) ratio for trainees. Additionally, the department included employees who were not child protective service (CPS) workers in the count.  The Department should obtain approval from the Legislative Budget Board and the Governor's Office of Budget and Planning on the method of computing the FTE trainee ratio.  The Department should ensure accuracy of ABEST data by reviewing data before submission to the ABEST coordinator.
	2001 (1 <sup>st</sup> quarter)	24.8	Certified With Qualification	The Department should obtain approval from the Legislative Budget Board and the Governor's Office of Budget and Planning on the method of computing the FTE trainee ratio.  The Department should ensure accuracy of ABEST data by reviewing data before submission to the ABEST coordinator.
<b>A.1.3 Output</b>  Number of Days of Child Day Care Paid per Month	2000	57,845	Certified With Qualification	To ensure continued accuracy, the Department should obtain written documentation regarding reviews performed by the Workforce Commission on data accuracy.
	2001 (1 <sup>st</sup> quarter)	32,593	Certified With Qualification	See comments above for fiscal year 2000.
<b>A.1.3 Efficiency</b>  Average Cost per Child for Purchased Services	2000	\$515.01	Certified With Qualification	To ensure continued accuracy, the Department should include children from all programs in the count. The Department did not include children from Welfare Projects and Foster Care Respite Services in the count.  The Department should ensure accuracy of ABEST data by reviewing data before submission to the ABEST coordinator.
	2001 (1 <sup>st</sup> quarter)	\$550.19	Certified With Qualification	See comments above for fiscal year 2000.

Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
A.1.5 Output Average Number of Days per Month of Foster Care for All Levels of Care	2000	367,036	Certified	
	2001 (1 <sup>st</sup> quarter)	380,817	Certified	
A.1.5 Efficiency Average Monthly Payment per Child (FTE) in Paid Foster Care	2000	\$1,563.47	Certified	
	2001 (1 <sup>st</sup> quarter)	\$1,542.98	Certified	
A.2.1 Efficiency Average Monthly Cost per APS Investigation	2000	\$152.62	Certified	
	2001 (1 <sup>st</sup> quarter)	\$150.94	Certified With Qualification	To ensure continued accuracy, the Department should follow its policies and procedures by using the correct estimates to compute workload for investigations. Workload estimates were used to allocate expenditures for adult protective service investigations. The Department used fiscal year 2000 estimates to calculate the performance for the measure. Based on the Department's policies and procedures, the Department should have used fiscal year 2001 estimates in the calculation.
A.3.1 Efficiency Average Cost per Inspection	2000	\$205.48	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter)	\$198.72	Factors Prevented Certification	See finding.
<p>A measure is <b>Certified</b> if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>A measure is <b>Certified With Qualification</b> when reported performance is within +/- 5 percent, but the controls over data collection and reporting are not adequate to ensure continued accuracy.</p> <p><b>Factors Prevented Certification</b> when actual performance cannot be determined because of inadequate controls and insufficient documentation.</p> <p>A measure is <b>Inaccurate</b> when reported performance is not within +/-5 percent of actual performance or if there is an error rate of five percent or more in supporting documentation.</p> <p>A measure is <b>Not Applicable</b> when performance is justifiably not reported.</p>				

Source: ABEST reports to fiscal year 2000 and the first quarter of fiscal year 2001

## Department of Protective and Regulatory Services

### Key Performance Measures

- Percent of Validated Occurrences Where Children are Placed at Serious Risk
- Average Cost per Inspection

At the Department of Protective and Regulatory Services (Department) factors prevented the certification of the performance measures Percent of Validated Occurrences Where Children are Placed at Serious Risk and Average Cost per Inspection for fiscal year 2000 and the first quarter of fiscal year 2001. The number of children at serious risk of abuse and the number of compliance inspections of childcare facilities could not be confirmed due to the lack of documentation supporting the reported performance.

The Automated Child Care Licensing Activity Information Management (ACCLAIM) database used to generate the numbers of children at risk and inspections is regularly updated and does not capture the date of data entry and updates. Consequently, we were unable to verify the reported data against source records in ACCLAIM. It should be noted that ACCLAIM is managed by the Department of Human Services. Management informs us that a new system to capture the data for these two measures will be implemented by the Department in September 2001.

Additionally, the Department did not have policies and procedures in place for ensuring the accuracy of ACCLAIM data used for ABEST reporting.

### Recommendations:

We recommend that the Department:

- Ensure that the new system is capable of retaining supporting information for the numbers reported in ABEST. The system should be able to capture the date the data is entered and updated.
- Update the policies and procedures for the new system to include procedures for collecting and reviewing performance data prior to submission to the ABEST coordinator.



# Management Response



## TEXAS DEPARTMENT OF PROTECTIVE AND REGULATORY SERVICES

### EXECUTIVE DIRECTOR

James R. Hine

August 9, 2001

Vandita Zachariah, Project Manager  
State Auditor's Office  
1501 North Congress Avenue, Suite 4.224  
Austin, TX 78701

### BOARD MEMBERS

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Dear Ms. Zachariah:

We appreciate this opportunity to respond to the State Auditor's draft report on its audit of selected performance measures of the Texas Department of Protective and Regulatory Services. Attached please find our management response.

The Department strives to ensure the accuracy and integrity of all performance measure data reported. We have addressed the issues raised during the recent audit and will continue to build a reliable and consistent reporting system.

If you have any questions or need any additional information, please direct your inquiries to our Director of Internal Audit, Catherine Melvin, at (512) 908-4572.

Sincerely,

A handwritten signature in black ink, appearing to read "James R. Hine".

James R. Hine  
Executive Director

Attachment

cc: Catherine A. Melvin, CIA, CPA, Director, Internal Audit

701 W. 51st St. • P.O. Box 149030 • AUSTIN, TEXAS 78714-9030 • (512) 438-4800

**Management Response:**

- **Percent of Validated Occurrences Where Children Are Placed at Serious Risk**

PRS was given a Factors Prevent Certification for FY 2000. PRS relies on an outside source, bound to the same rules, regulations and audit authority of any other state agency, to provide and report valid, consistent and accurate data. PRS was established as a separate agency from the Department of Human Services (DHS). However, DHS continued to maintain control of certain information and reporting systems on behalf of PRS. In this case, it is the Child Care Licensing information, which is kept at DHS in the ACCLAIM system.

When it was discovered that archived records were not being kept, the development of CLASS was well underway. It was not cost effective to contract with DHS, nor prudent to create a system to maintain the data. The Forecasting and Programs Statistics staff charged with producing this performance measure consistently maintained documentation of the data provided by DHS.

A new Child Care Licensing automated support system (CLASS) is expected to alleviate the problems associated with the issue of control over data being generated and will eliminate reliance on the ACCLAIM system that resides at DHS. CLASS will be functional by September 1, 2001 and will allow for data collection, reporting and archiving to be under the Department's control. Data validation, quality assurance activities, processing documentation and quarterly data archival will be fully implemented on the new CLASS system. Regular data archival will eliminate the need for system data entry dates.

This performance measure is an outcome measure and as such is reported annually. Accordingly, there is not a certification result for the first quarter of FY 2001, since an audit was not conducted.

- **Average Cost Per Inspection**

For both periods audited, this measure received Factors Prevent Certification. PRS relies on an outside source, bound to the same rules, regulations and audit authority of any other state agency, to provide and report valid, consistent and accurate data. However, since PRS had not stipulated to DHS that they must maintain archived records for audit purposes and since we were not aware that information provided to us would be overwritten, the SAO determined that factors prevent certification. A new Child Care Licensing Automated Support System (CLASS) is expected to alleviate the problems associated with the issue of control over data being generated.

- **Percent of CYD Youth With Improved TAAS Score**

Data for this measure is provided by the Texas Education Agency (TEA), in a format designed and agreed to by the staffs of both agencies. The definition, with modifications and edits that were approved by the Legislative Budget Board (LBB) and the Governor's Office of Budget and Planning (GOBP), was used as a basis for the design of the data to be delivered to PRS from TEA.

During the audit, written documentation was provided to the State Auditor's Office (SAO) showing the various edits that occurred during development of the measure definition. One such edit, the May 2000 submission deleted the sentence "All data are unduplicated for the reporting period." With this critical amendment, the final definition was approved and this is how PRS has been calculating and reporting the data. The approved measure definition was followed.

This single performance measure requires PRS to present improvements of two separate and distinct parts of the TAAS test (math and reading) without access to the unduplicated data from TEA. The aggregate data sent by TEA does not include an indicator that would allow PRS to determine if the youth took both the reading and math test, only the reading test, or only the math test in two subsequent years. Using the information provided, it cannot be determined which, if any, youth are counted as improved in both reading and math, or if any of the youth included as improved in either the reading or math group are included in the other improved group for grades 3 through 8.

Data reported for this measure appeared consistent with the data received from TEA. The approach was to include all who showed improvement – whether it was just in math or just in reading or both math and reading. However, it did not show those youth who may have improved in one area but regressed in the other area as succeeding on the whole.

Due to the confidential nature of TEA's TAAS score data, PRS is dependent upon TEA to produce the analysis for this measure and this precludes PRS from replicating the SAO calculation methodology. Negotiations will be initiated with LBB and GOBP aimed at either deleting this measure or creating two measures – one measure for percent of CYD youth improving in reading and one measure for percent of CYD youth improving in math.

- **Average Weighted CPS Caseload per Worker**

PRS worked with the legislature during the last legislative session to replace this measure. This measure will no longer be reported in the FY 2002-2003 biennium; therefore, no specific changes in the way the measure is calculated will be made to address this finding. However, the agency recognizes the need to implement more stringent quality control checks to ensure that the data being calculated is accurate. In addition, the agency will implement a mechanism to ensure that information used by multiple divisions is reviewed more frequently for quality control.

No management action required. Current policy requires a quality assurance review of all performance measure data prior to submission to the ABEST coordinator. This policy will be strengthened and re-emphasized for all measures.

- **Number of Days of Child Care Paid per Month**

Data for this measure is provided by another state agency, the Texas Workforce Commission (TWC). The audit reports that procedures are not in place to verify the number of childcare days paid per month. However, the State Auditor's Office staff were able to replicate the data reported for this measure.

Although every effort is made to work with data partners in securing accurate and reliable data, it seems outside the purview of the PRS to compel another state agency to submit to an audit by our Internal Audit. PRS, notwithstanding the requirement of conducting an audit of the data produced by TWC, will continue to work with the agency to insure the highest possible integrity of the data is maintained.

- **Average Cost per Child for Purchased Services**

Emergency appropriations were provided for children in the Welfare Projects as well as for Foster Care Respite Services. These special Program Activity Codes (PACs) were inadvertently omitted from the calculations for the current biennium.

Steps will be taken to ensure that all children, including any applicable emergency appropriations PACs, will be included in future counts for this measure. Current policy requires a quality assurance review of all performance measure data prior to submission to the ABEST coordinator. This policy will be strengthened and re-emphasized for all measures.

- **Average Monthly Cost per APS Investigation**

The agency will be more specific in written policies and procedures addressing how Time Study and projected workload estimates for future years will be applied to the calculations of the measure.

## Department of Protective and Regulatory Services

### State Auditor's Office Follow-Up Comments

#### Percent of CYD Youth With Improved TAAS Scores

The definition requires the Department to report the percent of youth with improved TAAS (Texas Assessment of Academic Skills) scores in the reporting period. Using the methodology described in the definition, the State Auditor's Office was able to recalculate the performance for this measure. The State Auditor's Office shared the methodology and results with the Department. This should enable the Department to obtain the information from the Texas Education Agency.

**Department of Public Safety**  
(Agency 405)

Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
A.1.1 <b>Output</b>  Traffic Law Violator Contacts	2000	2,337,806	Inaccurate	Sample documentation tested resulted in a 6.6 percent error rate. The Department did not count all contacts because not all citations and warnings were entered into the Traffic Law Enforcement Database System.  The Department deviated from the measure definition and used estimates instead of actual counts. The Department should obtain approval from the Legislative Budget Board and the Governor's Office of Budget and Planning before using estimated contacts to calculate the performance for this measure.
	2001 (1 <sup>st</sup> quarter)	412,164	Inaccurate	Based on documentation provided by the Department, the actual result was 565,302 resulting in a variance of 37 percent from the reported result.  The Department deviated from the measure definition and used estimates instead of actual counts. The Department should obtain approval from the Legislative Budget Board and the Governor's Office of Budget and Planning before using estimated contacts to calculate the performance for this measure.
B.1.1 <b>Output</b>  Number of Arrests for Narcotics Violations	2000	2,329	Certified	
	2001 (1 <sup>st</sup> quarter)	553	Certified	

**Performance Measure Certification Results  
for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001**

Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>B.1.3 Output</b> Number of Special Crimes Arrests	2000	2,278	Certified With Qualification	To ensure continued accuracy, the Department should develop and implement review procedures for collecting data. The Special Crimes Unit is counting assistance provided to other units within the Department. The definition requires the Department to include arrests for offenses investigated and assistance to other agencies.  The Department should obtain approval from the Legislative Budget Board and the Governor's Office of Budget and Planning to determine whether assistance provided to other units within the Department should be included in the calculation.
	2001 (1 <sup>st</sup> quarter)	567	Inaccurate	Sample documentation tested resulted in a 6.6 percent error rate. The Special Crimes Unit is counting assistance provided to other units within the Department. The definition requires the Department to include arrests for offenses investigated and assistance to other agencies.  The Department should obtain approval from the Legislative Budget Board and the Governor's Office of Budget and Planning to determine whether assistance provided to other units within the Department should be included in the calculation.
<b>B.1.6 Output</b> Number of Drug Cases Examined	2000	39,072	Certified With Qualification	For continued accuracy, the Department should strengthen its controls over data collection and reporting so that all cases examined are reported in the appropriate quarter and fiscal year.
	2001 (1 <sup>st</sup> quarter only)	9,034	Certified With Qualification	See comments above for fiscal year 2000.

Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
C.1.2 Output Number of Emergency Incidents Coordinated	2000	2,364	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter only)	945	Factors Prevented Certification	See finding.
<p>A measure is <b>Certified</b> if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>A measure is <b>Certified With Qualification</b> when reported performance is within +/- 5 percent, but the controls over data collection and reporting are not adequate to ensure continued accuracy.</p> <p><b>Factors Prevented Certification</b> when actual performance cannot be determined because of inadequate controls and insufficient documentation.</p> <p>A measure is <b>Inaccurate</b> when reported performance is not within +/-5 percent of actual performance or if there is an error rate of five percent or more in supporting documentation.</p> <p>A measure is <b>Not Applicable</b> when performance is justifiably not reported.</p>				

Source: ABEST reports for fiscal year 2000 and the first quarter of fiscal year 2001



## Department of Public Safety

### Key Performance Measure

- **Number of Emergency Incidents Coordinated**

At the Department of Public Safety, factors prevented the certification of the performance measure Number of Emergency Incidents Coordinated for fiscal year 2000 and for the first quarter of fiscal year 2001.

The reported performance for fiscal year 2000 and the first quarter of fiscal year 2001 could not be verified due to the lack of documentation supporting the number of emergency incidents coordinated.

The reported result for this measure is calculated by combining information on emergency incidents that resides in a database and field reports from regions. The Department's emergency incidents database did not identify which incidents were included in the count and field reports from some regions were unavailable to support the data reported in ABEST. Consequently, we were unable to determine whether the reported results in ABEST were correct.

It should be noted that the Department has since corrected the database to identify emergency incidents.

#### Recommendations:

We recommend that the Department of Public Safety:

- Document and maintain support for the number of emergency incidents coordinated at the Department level and regional levels.
- Identify, document, and maintain the number of emergency incidents coordinated that are reported in ABEST.

# Management Response

## TEXAS DEPARTMENT OF PUBLIC SAFETY

5805 N. LAMAR BLVD • BOX 4087 • AUSTIN, TEXAS 78773-0180

Office of Audit and Inspection  
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DIRECTOR

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COMMISSIONERS

August 7, 2001

Ms. Vandita Zachariah  
State Auditor's Office  
1501 North Congress Avenue  
Austin, Texas 78701

Re: Performance Measures Audit – management responses

Ms. Zachariah:

As requested in your letter of July 25, 2001, the Department's management responses to your Performance Measures audit are enclosed. An electronic copy of these responses was sent to you earlier today.

If you have any questions or if I can be of further assistance, please call me at 424-2158.

Sincerely,

Thomas A. Davis, Jr.  
Director, Texas Department of Public Safety

COURTESY - SERVICE - PROTECTION

**Texas Department of Public Safety**  
**Performance Measures Audit**  
**Audit Responses**

**A.1.1 Traffic law violator contacts.**

We agree with your recommendation. The department has unintentionally deviated from the measure definition as determined in the audit finding. It was the agency's intent to report actual Traffic Law Violator Contacts; however, when the measure was originally defined, it was not realized that reporting deadlines would occur at 15 days after the end of the calendar quarter.

This work measure involves trooper activity from all parts of Texas, which includes data entered from 23 locations. Because of the current processes required to data enter this information, actual data can only be reported 30 to 60 days following the end of the calendar quarter.

We are working with the Legislative Budget Board and the Governor's Office of Budget and Planning to allow for the reporting of estimated data at the end of the calendar quarter and for corrected actual data to be submitted for the previous quarter.

Corrections to the work measure definition will occur during the next available annual work measure definition reporting opportunity.

The estimated calculations for past calendar years have ranged in accuracy from 2% to 10% and in each case the activity was under-reported. The reported 37% error for the first quarter of 2001 occurred from estimated miscalculations and does not represent the norm.

The planned interim solution of following quarter reporting of actual data and planned corrections to the work measure definition will bring resolution to this issue.

Department Contact: Chief Charles Graham

**B.1.3 Number of Special Crimes Arrests.**

Agree with qualifications. The Special Crimes Service exceeds its output measure relating to the number of arrests, without counting any assists/arrests to other units within DPS.

The output measure definition relating to the number of Special Crimes arrests is problematic. The measure needs to be clarified. The current definition does not accurately account for the effort expended by the Special Crimes Service in furtherance of the service mission.

Department Contact: Michael C. Gougler, Assistant Commander  
**Texas Department of Public Safety**

COURTESY - SERVICE - PROTECTION

Performance Measures Audit  
Audit Responses

**B.1.6 Number of Drug Cases Examined**

We concur with the recommendation. Controls over the data collected have been improved to ensure that cases examined are consistently reported in the appropriate quarter.

Department Contact: Ron Urbanovsky, Director of the Crime Lab Service

**C.1.2 Number of emergency incidents coordinated.**

We concur with the recommendation as written. Corrective action was taken on May 8, 2001 to identify, document, report and maintain records of the number of emergency incidents reported.

Department Contact: Jack Colley, Assistant Sate Coordinator

COURTESY - SERVICE - PROTECTION

**State Soil and Water Conservation Board**  
(Agency No. 592)

Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>A Outcome</b> Percent of District Financial Needs Met by Soil and Water Conservation Board Grants	2000	29.4%	Factors Prevented Certification	See finding.
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.
<b>A.1.2 Output</b> Number of District Directors and District Employees Contacted by Field Staff	2000	6,473	Inaccurate	<p>Sample documentation tested resulted in a 15.7 percent error rate. There were errors in the number of contacts totaled in daily and weekly reports.</p> <p>The Board needs to ensure accuracy of ABEST data by documenting and implementing procedures for:</p> <ul style="list-style-type: none"> <li>• Collecting and reviewing data before submission to the ABEST coordinator.</li> <li>• Independent review of data entered into ABEST prior to final release.</li> </ul>
	2001 (1 <sup>st</sup> quarter )	2,629	Inaccurate	<p>Sample documentation tested resulted in a 12.5 percent error rate. There were errors in the number of contacts totaled in daily and weekly reports.</p> <p>The Board needs to ensure accuracy of ABEST data by documenting and implementing procedures for:</p> <ul style="list-style-type: none"> <li>• Collecting and reviewing data before submission to the ABEST coordinator.</li> <li>• Independent review of data entered into ABEST prior to final release.</li> </ul>

Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>B Outcome</b> Percent of Agricultural/Silvicultural Operations Within Identified Problem Areas Having District-Approved Water Quality Management Plans Developed and Certified	2000	11.14%	Certified With Qualification	To ensure continued accuracy, the Board should document and implement procedures for: <ul style="list-style-type: none"> <li>Collecting and reviewing data before submission to the ABEST coordinator.</li> <li>Independent review of data entered into ABEST prior to final release.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.
<b>B.2.1 Output</b> Number of Pollution Abatement Plans Certified	2000	798	Certified With Qualification	To ensure continued accuracy, the Board should document and implement procedures for: <ul style="list-style-type: none"> <li>Collecting and reviewing data before submission to the ABEST coordinator.</li> <li>Independent review of data entered into ABEST prior to final release.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	219	Certified With Qualification	Outcomes are reported annually.
<p>A measure is <b>Certified</b> if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>A measure is <b>Certified With Qualification</b> when reported performance is within +/- 5 percent, but the controls over data collection and reporting are not adequate to ensure continued accuracy.</p> <p><b>Factors Prevented Certification</b> when actual performance cannot be determined because of inadequate controls and insufficient documentation.</p> <p>A measure is <b>Inaccurate</b> when reported performance is not within +/-5 percent of actual performance or if there is an error rate of five percent or more in supporting documentation.</p> <p>A measure is <b>Not Applicable</b> when performance is justifiably not reported.</p>				

Source: ABEST reports for fiscal year 2000 and the first quarter of fiscal year 2001

# Soil and Water Conservation Board

## Key Performance Measure

- **Percent of District Financial Needs Met by Soil and Water Conservation Board Grants**

At the Soil and Water Conservation Board (Board) factors prevented the certification of the measure Percent of District Financial Needs Met by Soil and Water Conservation Board Grants for fiscal year 2000.

The Board could not supply any type of documentation to support the total projected financial needs of the districts. The Board had no supporting or summary data to support the performance result reported. Consequently, we were unable to verify whether the numbers reported in ABEST were correct.

In addition, the Board does not have documented policies and procedures in place for the following processes:

- Collecting and reviewing data before it is submitted to the ABEST coordinator.
- Ensuring the accuracy of the calculation for this measure.
- Reviewing and approving the performance measure result before releasing it into ABEST.

### Recommendations:

We recommend that the Soil and Water Conservation Board:

- Maintain documentation to support the total projected financial needs of the districts that will support the performance result calculation as written in the measure definition.
- Maintain summary data that can be used to support the reported performance result.
- Document and implement policies and procedures for collecting and reviewing data prior to its submission to the ABEST coordinator.
- Develop and implement documented policies and procedures for the review and approval of data entry before release into ABEST.

## Management Response



### TEXAS STATE SOIL AND WATER CONSERVATION BOARD

311 North 5<sup>th</sup> Street  
Temple, Texas 76503  
(254) 773-2250

August 7, 2001

Mr. Lawrence F. Alwin, CPA  
State Auditor  
State Auditor's Office  
Robert E. Johnson Building  
1501 North Congress Avenue, Suite 4.224  
Austin, Texas 78701

*RE: Performance Measure Phase 15 Audit*

Mr. Alwin:

Thank you for the opportunity to respond to the State Auditor's comments pertaining to the Texas State Soil and Water Conservation Board (TSSWCB). As you are aware, the TSSWCB was audited on four (4) performance measures. Two were Certified With Qualification (B and B.2.1), one was reported as Inaccurate (A.1.2) and one as Factors Preventing Certification (A). I will address each measure and the TSSWCB's activities directed toward bringing the reporting procedures into compliance with State Auditor recommendations.

*Measure # 1: A. Outcome. Percent of District Financial Needs Met by Soil and Water Conservation Board Grants.*

The TSSWCB request financial information from the 216 Soil and Water Conservation Districts (SWCD) each biennium in preparation for the Legislative Appropriation Request. This same document is used along with other internal program documentation to calculate the need for financial assistance as viewed by SWCD's. For the 2000 year in question, the financial information requests presented to the SWCD's differed greatly from previous years. The financial information document did not request the detail required for Outcome reporting as it had in prior years. Therefore, the Director of Administration reviewed the available information and made a judgment call to use the 2002-2003 financial report from SWCD's to calculate the Outcome measure. The Auditor in question understood the logic behind the judgment call but did not agree with the method used without prior LBB approval. Therefore, the



documentation used and numbers for the Outcome measure report were called into question.

The TSSWCB is working with the LBB to receive approval for the 2001 financial reporting material. No Outcome percentage for this measure will be submitted for the FY2001 without LBB approval. The TSSWCB is developing a work group to address policies and procedures for performance measure reporting, submittal, review and release in ABEST.

*Measure #2: A.1.2. Output. Number of District Directors and District Employees Contacted by Field Staff.*

The State Board receives the information concerning this measure from ten (10) Field Representatives through Daily/Weekly/Monthly Reports. The Measure was deemed inaccurate due to the error ratio for FY00 and FY01 (1<sup>st</sup> quarter). The TSSWCB has taken action to educate the Field Representatives on the detail of the submittal requirements. The TSSWCB has also revised the review process for this measure and has implemented a policy and procedure to address the error ratio. This policy and procedure was reviewed by Field Representatives and upper management within the agency and has been approved as Standard Operating Procedure.

*Measure #3: B. Outcome. Percent of Agricultural/Silvicultural Operations Within Identified Problem Areas Having District-Approved Water Quality Management Plans Developed and Certified.*

The recommendation by the State Auditor for this measure was review of collection of data prior to submittal to the ABEST coordinator and an independent review of data entered into ABEST prior to final release. Both recommendations have been addressed by the TSSWCB through procedural changes concerning staff review during collection, tabulation and input into ABEST.

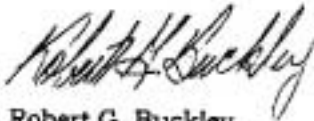
*Measure #4: B.2.1. Output. Number of Pollution Abatement Plans Certified.*

The recommendation by the State Auditor for this measure was the same as #3. Review of collection of data prior to submittal to the ABEST coordinator and an independent review of data entered into ABEST prior to final release. Both recommendations have been addressed by the TSSWCB through procedural changes concerning staff review during collection, tabulation and input into ABEST.

The TSSWCB is working with the LBB and Governor's Office analysts to review and evaluate all performance measures assigned to the TSSWCB programs. Creation of Policies and Procedures addressing performance measure description, collection process, documentation, review, formulation, validation,

submittal procedure, etc. are underway. This process will closely involve the analyst from the aforementioned agencies to allow the TSSWCB to more efficiently and accurately evaluate agency performance.

Sincerely,

A handwritten signature in cursive script that reads "Robert G. Buckley".

Robert G. Buckley  
Executive Director

**Texas A&M University at Galveston**  
(Agency 718)

Performance Measure Certification Results for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001				
Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>A Outcome</b>  Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree within Six Academic Years	2000	49.41%	Inaccurate	Based on documentation provided by the University, the actual performance was 39.2 percent, resulting in a variance of 20.6 percent from the reported result. The University counted students who graduated from Texas A&M University (College Station).  The University needs to ensure accuracy of ABEST data by documenting and implementing procedures for: <ul style="list-style-type: none"> <li>• Segregation of duties over data collection, data entry, and data authorization into the Automated Budget Evaluation System of Texas (ABEST).</li> <li>• Independent review of data after it is entered into ABEST prior to final release.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.
<b>A Outcome</b>  Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year	2000	76.36%	Inaccurate	Based on documentation provided by the University, the actual performance was 46.23 percent, resulting in a variance of 39.5 percent from the reported result. The University counted students who had transferred to Texas A&M University (College Station).  The University needs to ensure accuracy of ABEST data by documenting and implementing procedures for: <ul style="list-style-type: none"> <li>• Segregation of duties over data collection, data entry, and data authorization into ABEST.</li> <li>• Independent review of data after it is entered into ABEST prior to final release.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.
<b>A Outcome</b>  Dollar Value of External or Sponsored Research Funds (in millions)	2000	\$1.7 million	Certified With Qualification	To ensure continued accuracy, the University should document and implement procedures for: <ul style="list-style-type: none"> <li>• Segregation of duties over data collection, data entry, and data authorization into ABEST.</li> <li>• Independent review of data after it is entered into ABEST prior to final release.</li> </ul>
	2001 (1 <sup>st</sup> quarter)	Not Applicable	Not Applicable	Outcomes are reported annually.

**Performance Measure Certification Results  
for Fiscal Year 2000 and the First Quarter of Fiscal Year 2001**

Related Objective or Strategy, Classification, and Description of Measure	Fiscal Year	Results Reported	Certification Results	Auditor Comments
<b>A Outcome</b> Percent of Lower Division Courses Taught By Tenured Faculty	2000	32.54%	Inaccurate	Sample documentation tested resulted in a 9.8 percent error rate. The University counted courses that were scheduled but not taught and courses that were taught by non-tenured or non-tenure-tracked faculty.  The University needs to ensure accuracy of ABEST data by documenting and implementing procedures for: <ul style="list-style-type: none"> <li>• Segregation of duties over data collection, data entry, and data authorization into ABEST.</li> <li>• Independent review of data after it is entered into ABEST prior to final release.</li> </ul>
	2001 (1 <sup>st</sup> quarter )	Not Applicable	Not Applicable	Outcomes are reported annually.

A measure is **Certified** if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.

A measure is **Certified With Qualification** when reported performance is within +/- 5 percent, but the controls over data collection and reporting are not adequate to ensure continued accuracy.

**Factors Prevented Certification** when actual performance cannot be determined because of inadequate controls and insufficient documentation.

A measure is **Inaccurate** when reported performance is not within +/-5 percent of actual performance or if there is an error rate of five percent or more in supporting documentation.

A measure is **Not Applicable** when performance is justifiably not reported.

Source: ABEST reports for fiscal year 2000 and the first quarter of fiscal year 2001

## Management Response



**TEXAS A&M UNIVERSITY**  
Office of the Executive Vice President  
and Provost

August 1, 2001

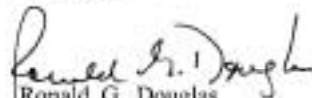
Ms. Vandita Zachariah  
Project Manager  
State Auditor's Office  
1501 North Congress Avenue, Suite 4.224  
Austin, TX 78701

Dear Ms. Zachariah:

I am responding on behalf of Dr. Ray M. Bowen, President, Texas A&M University, to your request with the management response to the draft of the Performance Measures Phase 15 Audit of Texas A&M University at Galveston.

Enclosed is the formal response prepared by Dr. William Hearn, Associate Vice President for Administration & Student Affairs, Texas A&M University at Galveston. If you have any questions, please contact my office.

Sincerely,

  
Ronald G. Douglas  
Executive Vice President  
and Provost

RGD:jek

Enclosure

cc: Dr. Ray M. Bowen  
Dr. Michael Kemp  
Ms. Cathy Smock

Street address: 9th Floor, Rudder Tower • Mailing address: 1248 TAMU • College Station, Texas 77843-1248 • (979) 845-4016 FAX (979) 845-6994

*Texas A&M University at Galveston  
Audit Response  
Performance Measure Phase 15 Audit  
April 2001*

**The University needs to document and implement procedures for:**

- Segregation of duties over data collection, data entry, and data authorization into ABEST.
- Independent review after ABEST data entry prior to final release.

Response:

After calculation of the performance measures, the Staff Associate for Institutional Research will compile a spreadsheet with the data. The Assistant Vice President for Academic Services will review the spreadsheet and distribute the information to the Campus Executive Team. The Staff Associate will also be responsible to load the data into the ABEST system. Before releasing the information to the LBB, the Assistant Vice President for Academic Services will review the information, sign a statement that the data has been reviewed and close the system.

**Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years**

Response:

Sort the CBM001 for the fall of the cohort year for first-time students enrolled in 12 or more semester credit hours using Access. Use this count as the denominator of the cohort. Review each student and identify each as a TAMUG graduate or a TAMU graduate within the specified period. Count only the TAMUG students towards the numerator for reporting purposes. Repeat the same process using the summer term of the cohort year except discount the student from the denominator if the student does not continue enrollment into the fall semester of the cohort year. For internal purposes, calculate the measure again using both TAMU and TAMUG graduates. Both measures should be maintained on the institution spreadsheet. If warranted, the second calculation should be included in the explanation of variance as a footnote.

Repeat the same process separately for each of the federal reporting ethnic categories (White, Black, Hispanic, Other).

**Retention Rate of First-time, Full-time, Degree-seeking Freshmen Students After One Academic Year**

Response:

Sort the fall CBM001 of the cohort year for first-time students enrolled in 12 or more semester credit hours using Access. Sort the CBM001 for the summer for first-time students. If the summer start student is enrolled for 12 or more semester credit hours in the fall term, the student is counted. These students are added and counted toward the

denominator of the cohort. Cross match the CBM 001 to the CBM 001 for the following fall using Access. Verify any student not matching the second Fall CBM001 using SIMS and note if they are enrolled in College Station. Only the students with a match who enrolled on the TAMUG campus are counted towards the numerator for reporting purposes. For internal purposes, calculate the measure again using both TAMU and TAMUG enrolled students. Both measures should be maintained on the institution spreadsheet. If warranted, the second calculation should be included in the explanation of variance as a footnote.

Repeat the same process separately for each of the federal reporting ethnic categories (White, Black, Hispanic, Other).

**Percent of Lower Division Courses Taught by Tenured or Tenure-Track Faculty**

**Response:**

To address the issues where courses were counted but not offered or taught by non-tenure track faculty, only official reporting files prepared for the Texas Higher Education Coordinating Board will be used. Beginning in Fall 2001, sort the CBM004 files from the designated fall, spring, and summer terms for 100 and 200 level courses. Count the number of lower division course sections not including ROTC or CAEX. Some sections will have multiple records if there are shared responsibilities of the faculty. Each section should only be counted once. 100 and 200 course numbers identify lower division courses. Use this number as the denominator. Review each course if taught by a tenured or tenure accruing faculty member (designated by a 1 or 2 in field 9B as specified by the Texas Higher Education Coordinating Board). If yes, sum the percent responsibility factor (field 12) for each section. This sum should be used as the numerator.

## Historical Information

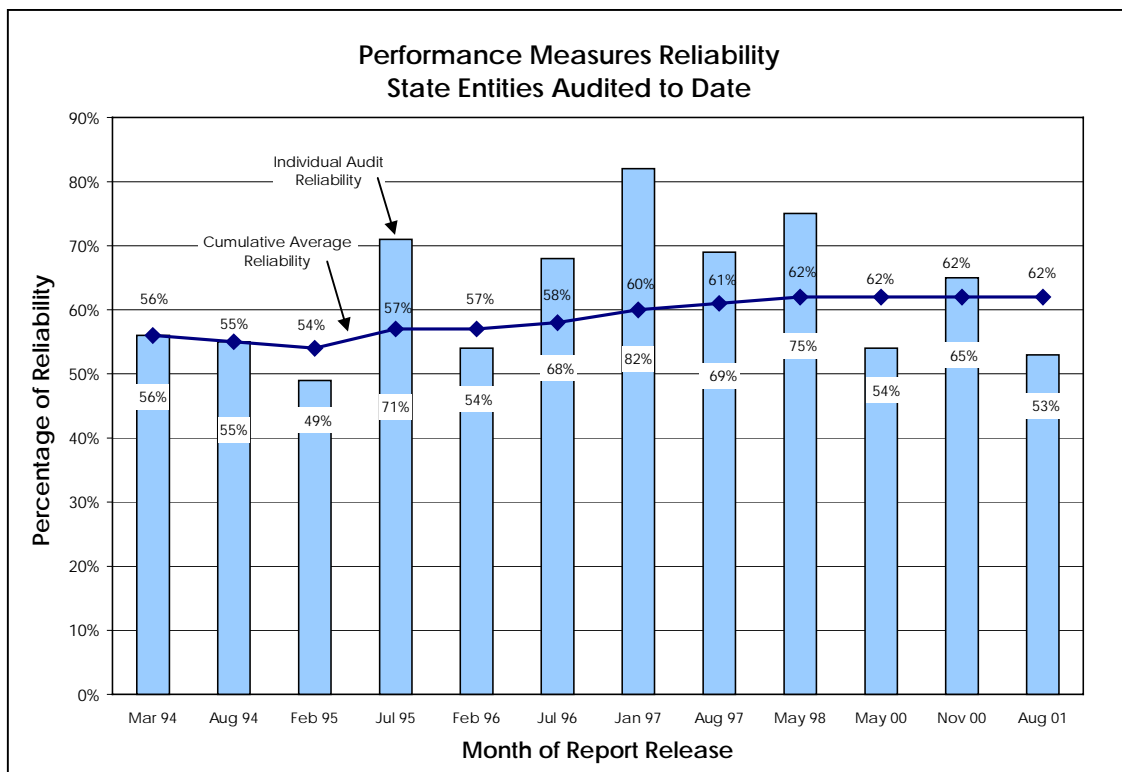
The cumulative effect of all audits conducted by the State Auditor's Office since 1994 shows that the average reliability percentage for all state entities audited is 62 percent. As a result, 48 percent of key performance information cannot be relied upon by decision-makers.

Control weaknesses continue to prevent a higher reliability rate. A greater emphasis on review procedures by management could help prevent and detect errors.

The accuracy of performance measure reporting for all certification audits is summarized in the following figures. Figure 5 shows both the individual and cumulative average reliability percentages over seven years for all state entities. The bars represent reliability rates from individual audits and the line represents the cumulative results of all certification reports.

Figure 5 shows a variance of 8 percent between the high and low cumulative figures, while the variance between individual audits is 33 percent.

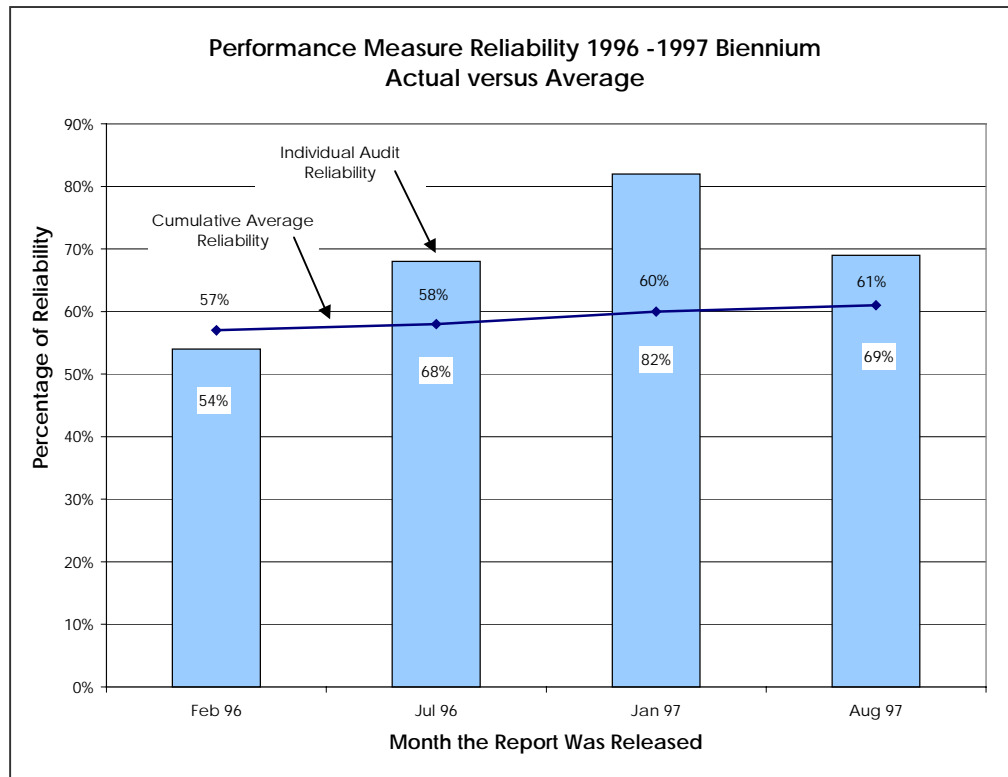
Figure 5



Source: State Auditor's Office audit results



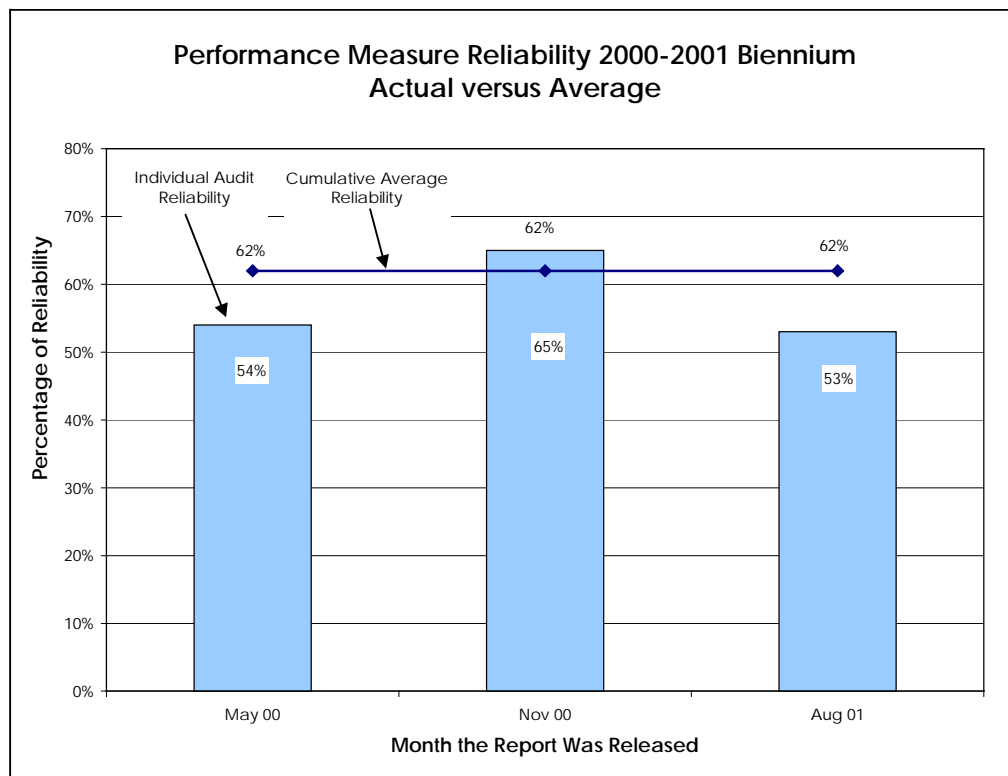
Figure 6



Source: State Auditor's Office

Figure 6 shows the results of audits for the 1996-1997 biennium. The chart illustrates State of Texas improved cumulative average reliability rates from 57 percent in February of 1996 to 61 percent at the end of 1997 biennium.

Figure 7



Source: State Auditor's Office

Figure 7 shows that although there was a decline in the 2000-2001 biennium average reliability rates remained constant.

Figure 8

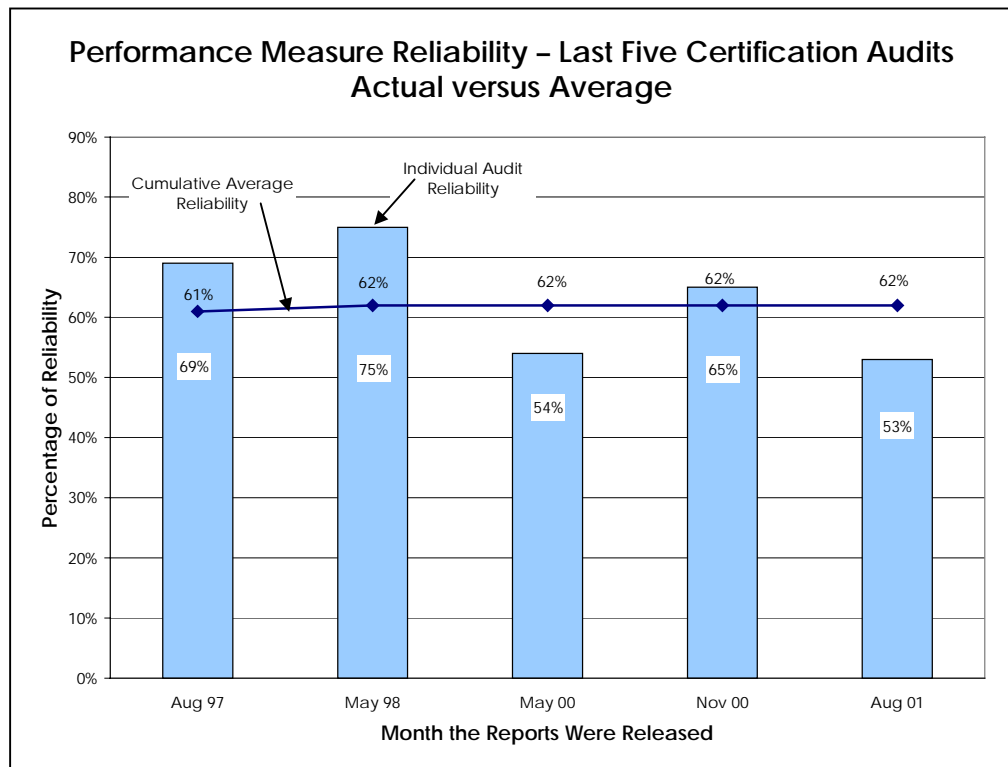


Figure 8 shows the results of the past five certification audits, with a cumulative average reliability rate of 62 percent.

Source: State Auditor's Office

## Appendix: Objectives, Scope, and Methodology

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### Objectives

The objectives of this audit were to:

- Determine whether selected state entities are accurately reporting their key performance measure results to the Automated Budget and Evaluation System of Texas (ABEST) database.
- Determine whether selected state entities have adequate control systems in place over the collection and reporting of their performance measures.

### Scope

Seventy-five key measures were reviewed at 11 state agencies and one university for fiscal year 2000 and the first quarter of fiscal year 2001. Performance measure results reported by state entities were reviewed to determine whether they were accurate. We also reviewed controls over the submission of data used in reporting performance measures. Performance information was traced to the original source whenever possible.

### Methodology

The State Auditor's Office and the Legislative Budget Board chose agencies and measures to be audited based on risk.

We certified performance measures using the following procedures:

- Selected measures from the population of key performance measures in ABEST. ABEST data was selected because it is relied upon by state decision-makers.
- Reviewed calculations for accuracy and consistency with the methodology agreed upon by the entity, the Legislative Budget Board, and the Governor's Office of Budget and Planning.
- Analyzed the flow of data to evaluate whether proper controls were in place.
- Tested source documents to verify the accuracy of reported performance.
- Reported performance measure results in one of five categories: (1) Certified, (2) Certified With Qualification, (3) Factors Prevented Certification, (4) Inaccurate, or (5) Not Applicable.

- Wrote findings for any measures categorized as “Factors Prevented Certification.” The findings provide specific issues that prevented performance measure certification and other areas of improvement. The findings also provide the entities with an opportunity to communicate how the problems will be addressed.

### Other Information

Audit fieldwork was conducted from April through June of 2001. This audit was performed in accordance with generally accepted government auditing standards.

The work was performed by the following members of the State Auditor’s staff:

- Vandita Zachariah, MBA (Project Manager)
- Adriana Buford, CPA, CIA (Assistant Project Manager)
- Natalia Boston, MPAff
- Anthony Chavez
- Jaime Contreras, MBA
- Jordan Erdors, MPAff
- Sonya Etheridge, CIA
- Joe Davis Fleming, MS
- Ruby Garcia
- Victoria Harris
- Tom Hill
- Donna Hopson
- Herman Huck
- Ann Huebner, CIA
- William Hurley, MBA
- Shaniqua Johnson
- Natasha Kelly, MBA
- Tressie Landry
- Lee Laubach
- Richard Maxwell, MPAff
- Kimberlee McDonald
- Joseph Mungai
- Richard Perel, MPA
- Patricia Perme
- Susan Phillips, MPA
- John Quintanilla, MBA
- Carlos Salinas, MPA
- Elizabeth Scheller, MPA
- Beverly Schulke, CPA
- Sherry Sewell
- Michael Simon
- Michael Stiernberg, JD

- Greg Vitalich
- Dwan Williams
- Whitney Hutson-Kutz, CPA (Quality Control Reviewer)
- John Young, MPAff (Quality Control Reviewer)
- Joanna B. Peavy, CPA (Audit Manager)
- Deborah Kerr, Ph.D. (Director)

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