

An Audit Report on  
**Department of Criminal Justice  
Standards and Reporting Related to  
Retirement Credit for Custodial Officers**

December 5, 2001

Members of the Legislative Audit Committee:

Based on our testing, we have a high level of confidence that the Department of Criminal Justice (Department) is accurately reporting certifications of custodial officer service credit to the Employees Retirement System (ERS). Our tests of 29 randomly selected recent retirees indicated that the employees the Department certified for the retirement incentive met the criteria for eligibility. In addition, policies for certification of custodial officer service credit comply with applicable statutes.

The custodial officer service credit is a retirement incentive for Department employees who are exposed to hazardous situations through direct routine inmate contact or employees who are required to respond to emergency situations. For example, a certified officer with 20 years of experience who meets eligibility criteria would receive 10 percent more of his base salary as retirement pay than would a regular retiree with the same number of years' experience. In addition, certified officers can retire with 20 years of experience regardless of their age (although the retirement annuity is reduced for certified officers under age 50).

We also reviewed how the Department's mainframe computer calculates the custodial officer service credit in order to assess the accuracy of the reports the Department sends to ERS. We noted no errors in the manner in which the Department's mainframe computer calculated the months of service credit for custodial officers.

The Department concurs with our observations and its responses are provided in the attachment to this letter. We appreciate the Department's cooperation. If you have any questions regarding this audit, please contact Julie Ivie, Audit Manager, at (512) 936-9500.

Sincerely,

Lawrence F. Alwin, CPA  
State Auditor

ggh/Attachment

cc: Department of Criminal Justice  
Chair and members of the Board of Criminal Justice  
Mr. Gary Johnson, Executive Director

**Objectives, Scope, and Methodology**

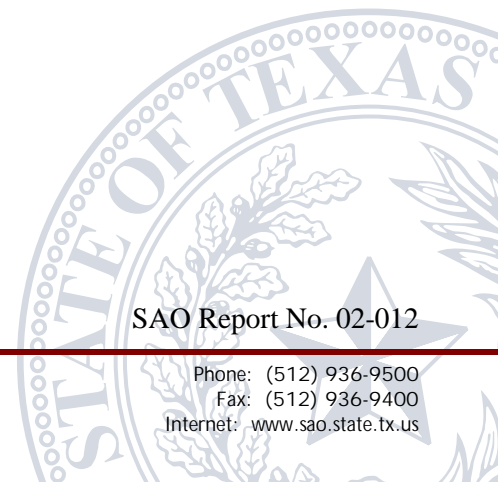
The objectives of the audit were to:

- Verify the accuracy of the custodial officer service credit reports the Department submits to ERS.
- Analyze the standards the Department adopted for custodial officer service credit.

The scope of the audit covered fiscal years 2000 and 2001. We reviewed custodial officer service credit for the Department's recently retired employees.

The audit methodology consisted of reviewing the Department's standards for compliance with applicable statutes and testing a sample of recent retirees to determine whether the Department accurately reported certifications of custodial officer service credit to ERS.

Texas Government Code, Section 813.506(d), authorizes the State Auditor's Office to perform this audit. This audit was conducted in accordance with generally accepted government auditing standards.



## Management's Response



### Texas Department of Criminal Justice

Gary L. Johnson  
Executive Director

November 15, 2001


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

Dear Mr. Alwin,

I have reviewed your report of our agency's reporting certifications of custodial officer service credit to the Employee Retirement System. We are in agreement with your conclusions that our retirees meet the criteria for eligibility, our policies for certification of custodial officer service credit comply with applicable statutes, and our mainframe computer correctly calculates the months of service credit for custodial officers.

Thank you for the opportunity to comment on this report. As always we appreciate the courtesy and efforts of your staff.

Sincerely,

  
Gary L. Johnson  
Executive Director

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ATTACHMENT