



Legislative Requirement:

A Comprehensive Forensic Audit at the Texas Civil Commitment Office

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State Auditor

The Texas Civil Commitment Office (Office) is responsible for the supervision and treatment of civilly committed sex offenders (clients) and the Health and Human Services Commission (Commission) provides mental health services to the Office's clients. The Office is administratively attached to the Commission.

Overall, the Office had processes to verify that (1) invoices for services provided to its clients at the Civil Commitment Center were allowable and accurate and (2) treatment and medical services were provided according to contract terms. However, the Commission overpaid its contractor that provides mental health services to the Office's clients.

- [Background](#) | p. 3
- [Audit Objective](#) | p. 20

This audit was conducted in accordance with Rider 7, Page X-7, General Appropriations Act (88th Legislature).

PRIORITY

MENTAL HEALTH SERVICE EXPENDITURES

Although mental health service expenditures were supported by the contractor's accounting and payroll records, the Commission overpaid its mental health services contractor by \$242,099 (26 percent).

[Chapter 1 | p. 6](#)

LOW

CENTER MANAGEMENT, TREATMENT SERVICES, AND MEDICAL SERVICE PAYMENTS

The Office's payments for management of the Civil Commitment Center, treatment services, and medical services were accurate and allowable.

[Chapter 2-A | p. 12](#)

MEDIUM

SANCTIONS FOR MANAGEMENT OF CENTER AND TREATMENT SERVICES

The Office had a process to sanction for noncompliance, but it should update its formulas to consistently assess the correct sanction amounts.

[Chapter 2-B | p. 14](#)

LOW

GPS DEVICE MONITORING SERVICES AND BIENNIAL EXAMINATION SERVICES

The Office's GPS monitoring and biennial examination service expenditures were properly approved and accurate.

[Chapter 3 | p. 16](#)

LOW

ADMINISTRATIVE AND EXECUTIVE COMPENSATION

The Commission accurately paid the Office's administrative and executive compensation.

[Chapter 4 | p. 18](#)

For more information about this audit, contact Assistant State Auditor Lauren Godfrey or State Auditor Lisa Collier at 512-936-9500.

July 2024 | Report No. 24-017

Summary of Management's Response

Auditors made recommendations to address the issues identified during this audit, provided at the end of certain chapters in this report. The Commission and the Office agreed with the recommendations in this report.

Ratings Definitions

Auditors used professional judgment and rated the audit findings identified in this report. The issue ratings identified for each chapter were determined based on the degree of risk or effect of the findings in relation to the audit objectives.

PRIORITY: Issues identified present risks or effects that if not addressed could ***critically affect*** the audited entity's ability to effectively administer the program(s)/function(s) audited. Immediate action is required to address the noted concern(s) and reduce risks to the audited entity.

HIGH: Issues identified present risks or effects that if not addressed could ***substantially affect*** the audited entity's ability to effectively administer the program(s)/function(s) audited. Prompt action is essential to address the noted concern(s) and reduce risks to the audited entity.

MEDIUM: Issues identified present risks or effects that if not addressed could ***moderately affect*** the audited entity's ability to effectively administer the program(s)/function(s) audited. Action is needed to address the noted concern(s) and reduce risks to a more desirable level.

LOW: The audit identified strengths that support the audited entity's ability to administer the program(s)/function(s) audited or the issues identified do not present significant risks ***or*** effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.

For more on the methodology for issue ratings, see [Report Ratings](#) in Appendix 1.

Background Information

Audit Requirement and Office Oversight

The General Appropriations Act (88th Legislature) required the State Auditor's Office to conduct a comprehensive forensic audit of all Texas Civil Commitment Office (Office) institutional functions, programs, and operations of medical, behavioral, and mental health services provided to the Office's clients and complete an audit report by September 1, 2024. We conducted this audit to comply with that requirement.

The State Auditor's Office is the independent auditor for Texas and has authority to perform audits of any entity receiving state funds. While the Office is a state agency that is responsible for the treatment and supervision of civilly committed sex offenders, it does not have a direct oversight entity with investigative authority similar to the Office of Inspector General role at both the Department of Criminal Justice and the Health and Human Services Commission.

Types of Services

Overview. The Office is responsible for the supervision and treatment of civilly committed sex offenders (clients) and is administratively attached to the Health and Human Services Commission (Commission).

As of November 2023, the Office was responsible for 480 civilly committed clients, 465 of whom resided at its secured facility known as the Civil Commitment Center (Center) located in Littlefield, Texas.

Office Services. The Office provided most client services through its primary contractor, Management & Training Corporation (MTC). That contractor is paid a per-client, per-day rate (per diem) for most of the services it provides and is reimbursed for other services. Specifically, MTC provided the following services:

- **Center management**, including providing the secured facility in Littlefield and necessary equipment; operating and maintaining the Center that houses clients; and providing qualified personnel to ensure

Center control, security, and client safety. The costs of the Center, equipment, and personnel were included in the per diem rate.

- **Behavioral treatment services** (sex offender treatment services), including group treatment sessions, individual treatment sessions, various types of behavioral assessments, and other routine treatment services. These services were included in the per diem rate.
- **On-site medical services**, including routine health care and medications. These services were included in the per diem rate.
- **Off-site medical services**, including specialty health care, hospitalization, and emergency medical services. The contractor paid for the first \$25,000 in costs per client each fiscal year and the Office reimbursed the contractor for any costs greater than \$25,000.

The Office contracts with additional vendors for the following services:

- **GPS device monitoring services** for monitoring all clients who travel outside the Center and for tracking certain clients' locations at the Center. The Office paid the contractor using a set rate per active and spare device.
- **Biennial examination services** for evaluating the civil commitment requirements imposed on the client every two years. The Office paid contractors a set rate per examination.

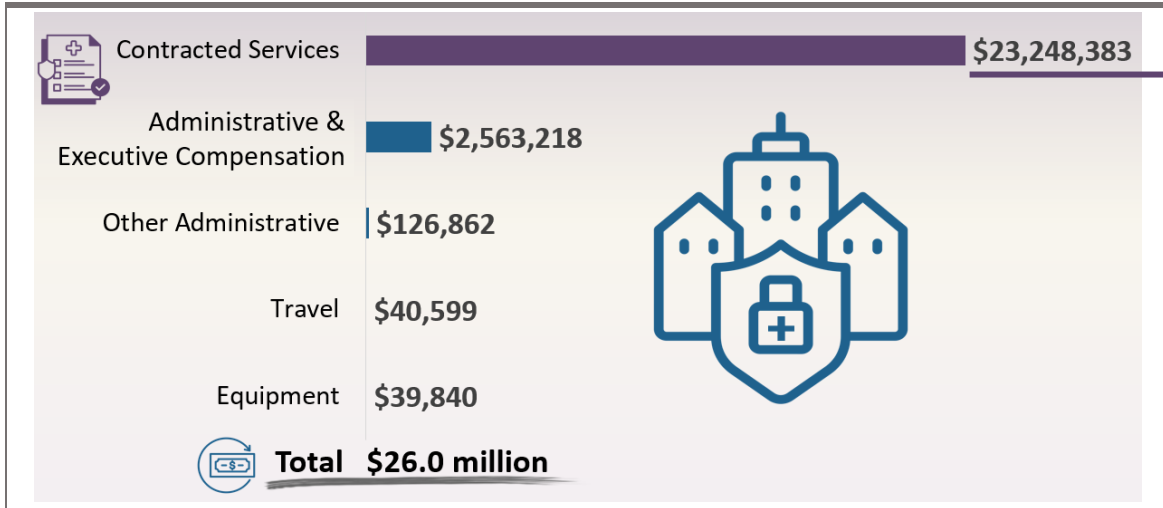
Mental Health Services. The Commission provides mental health services to the Office's clients in addition to its other mental health responsibilities for the State. The Commission contracted with MTC Medical, LLC (a subsidiary of MTC) to provide these services on a cost reimbursement basis plus a 9.0 percent profit on direct expenses.

Expenditure Categories

Between September 2022 and November 2023, the Office's expenditures and the Commission's expenditures for Office clients totaled \$26.0 million. Most of those expenditures were related to the Office's contract with MTC for costs associated with management of the Center, providing behavioral treatment services, and ensuring that clients received medical services (see Figure 1 and Figure 2 on the next page).

Figure 1

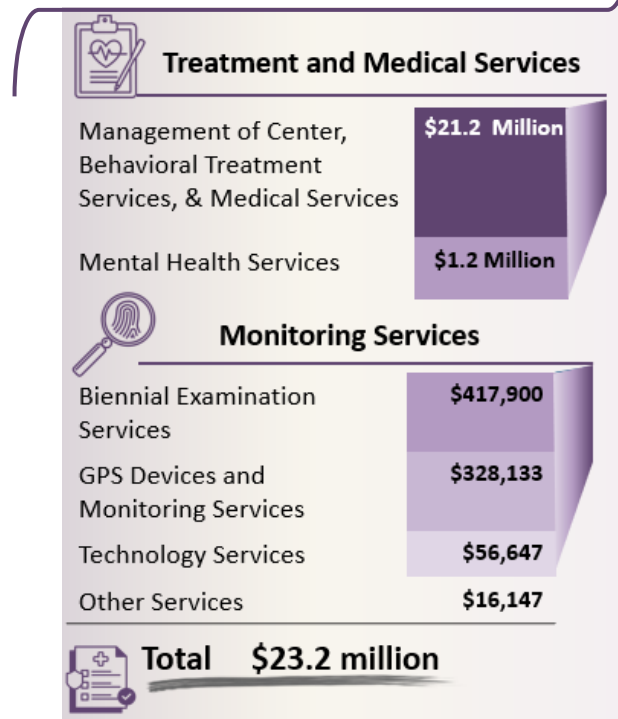
The Office’s Expenditures and the Commission’s Expenditures for Office Clients
September 2022 through November 2023



Sources: The “Administrative & Executive Compensation” total was obtained from the Centralized Accounting and Payroll/Personnel System; all other totals were obtained from the Uniform Statewide Accounting System.

Figure 2

Contracted Services for Office Clients



Source: The Uniform Statewide Accounting System.



Chapter 1

PRIORITY

Mental Health Service Expenditures

Although mental health service expenditures were supported by the contractor's accounting and payroll records, the Health and Human Services Commission (Commission) overpaid its contractor that provides mental health services to the Texas Civil Commitment Office's (Office) clients by \$242,099.

The Commission overpaid its mental health services contractor.



As discussed in the [Background Information](#) section of this report, the Commission (rather than the Office) contracts with a vendor to provide mental health services to clients at the Civil Commitment Center (Center). The Commission paid approximately \$1.2 million to that contractor between September 2022 and November 2023 (see text box for the types of mental health services provided). Most of those expenditures were supported by the contractor's accounting and payroll records and approved by the Commission.

However, the Commission overpaid the contractor by \$242,099 (26 percent of total mental health expenditures). Specifically, the Commission issued duplicate payments and paid for expenses already covered by the Office's contract with the same contractor. In addition, the Commission paid for expenses that exceeded contractual maximums and for some unallowable expenses (see Figure 3 on the next page).

Mental Health Services

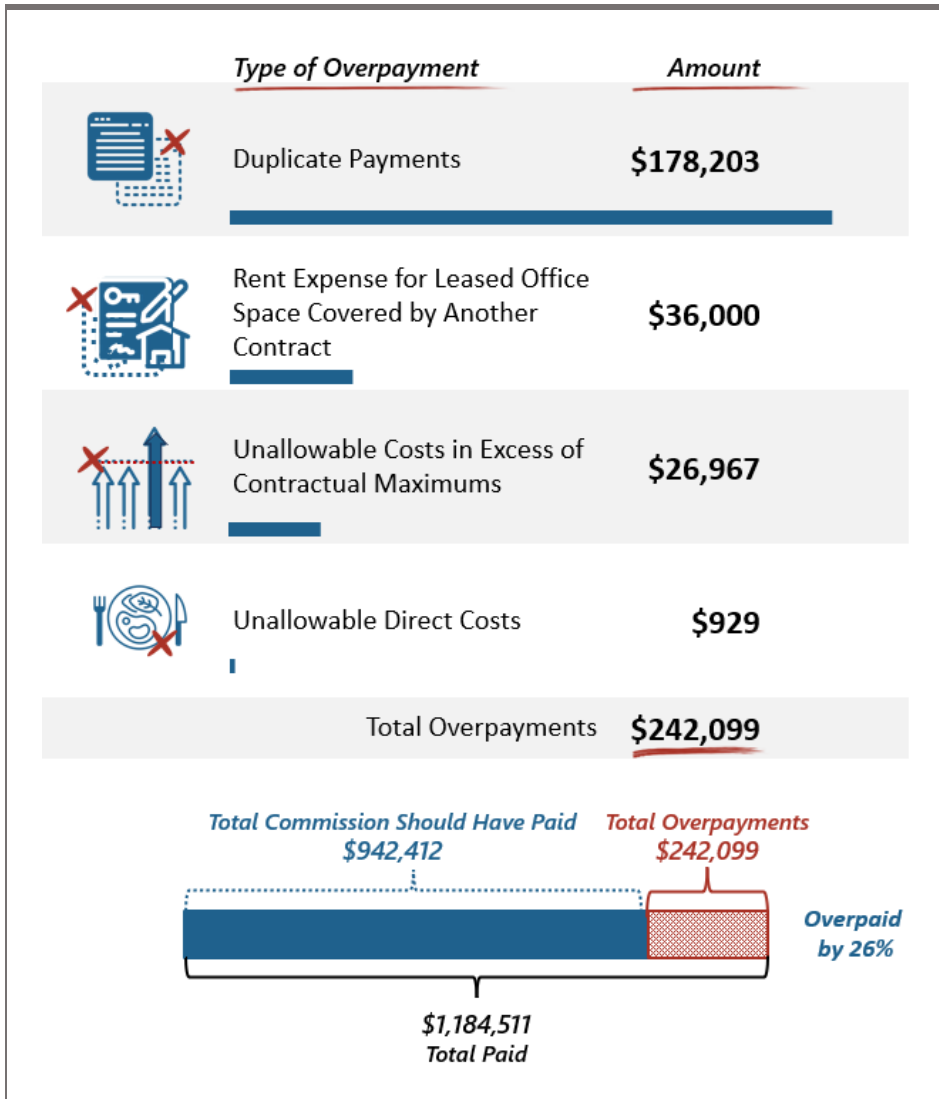
Individual and group mental health services are provided to clients at the Center that include:

- Crisis and counseling services.
- Psychosocial assessments.
- Case management services.
- Psychotropic medication management and monitoring.

Source: The contract between the Commission and Management & Training Corporation Medical, LLC.

Figure 3

Mental Health Service Overpayments



Accounting System Control. Although the Commission’s accounting system was designed to flag potential duplicate payments, Commission staff did not enter the correct information in the invoice number field. As a result, the two duplicate payments bypassed the accounting system’s control.

Rent Charges. As noted in Figure 3, the Commission paid \$36,000 for leased office space at the Center even though the State had *already paid* for that space as part of a separate contract between the Office and the same vendor. As part of that contract’s payment methodology, the vendor is paid using a per diem rate that includes mortgage/rent expenses for the Center.

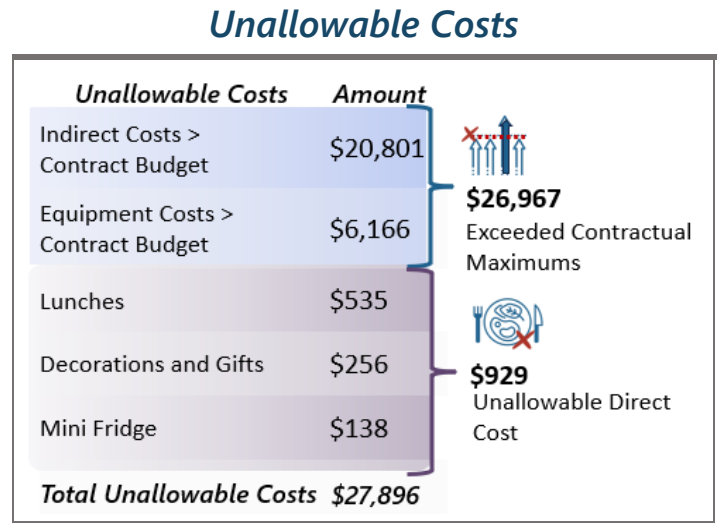
According to the Commission, it had reviewed the allowability of this expense but did not collaborate with the Office to determine whether the State was being double-charged for the same cost.

Expenditure Review Process. Although the contractor submitted detailed general ledgers monthly with its invoices, the Commission did not review them or ask for additional documentation to verify the costs’ allowability and alignment with the contract’s budget as required by its policy.

Figure 4

The Commission reimbursed its contractor for \$27,896 of unallowable costs across 8 of the 12 mental health service payments. Figure 4 identifies the unallowable expenditures paid.

Due to the contract’s reimbursement payment methodology, the Commission should validate direct costs because there is a significant risk it could overpay or pay for services not provided based on its minimal review process.



Recommendations

The Commission should:

- Evaluate the effectiveness of its automated duplicate payment processing control and, if needed, modify the control or develop an alternative process to identify duplicate transactions.
- Follow its policy and perform a detailed review of the contractor’s underlying records submitted with the monthly invoices and obtain additional support as needed to verify that the amounts reimbursed are accurate and allowable.
- Coordinate with the Office to ensure that the State does not pay twice for the same office space used for mental health services. This may include clarifying in the contracts what office space at the Center is covered.

- Attempt to recoup the funds paid in error or due to unallowability.

Commission Management's Response

Recommendation: The Commission should evaluate the effectiveness of its automated duplicate payment processing control and, if needed, modify the control or develop an alternative process to identify duplicate transactions.

Statement of Agreement/Disagreement

Agree

Action Plan

The Commission's current Accounts Payable Policy and Procedures Handbook documents voucher processing requirements including duplicate verification. Training will be conducted in July 2024 to ensure all payment processing staff are retrained on the duplicate verification process and naming conventions for the invoice ID field in CAPPs Financials. Training modules will be updated to include special emphasis on identifying duplicate transactions.

Responsible Manager

Deputy Director for Expenditure Management

Target Implementation Date

July 31, 2024

Recommendation: The Commission should follow its policy and perform a detailed review of the contractor's underlying records submitted with the monthly invoices and obtain additional support as needed to verify that the amounts reimbursed are accurate and allowable.

Statement of Agreement/Disagreement

Agree

Action Plan

Behavioral Health Services will begin sampling and validating, through receipt-level review, select costs within twenty-five percent (25%) of

monthly invoices per state fiscal year. Behavioral Health Services will not reimburse the sampled costs unless validated.

Responsible Manager

Associate Commissioner, Behavioral Health Contract Operations

Target Implementation Date

September 30, 2025

Recommendation: The Commission should coordinate with the Office to ensure that the State does not pay twice for the same office space used for mental health services. This may include clarifying in the contracts what office space at the Center is covered.

Statement of Agreement/Disagreement

Agree

Action Plan

Behavioral Health Services will coordinate with the Office and develop new contract language that either prohibits HHSC's reimbursement of space-related costs, or ensures appropriate allocation of Center space between HHSC-funded and Office-funded operations. HHSC will then amend its contract with the vendor to include the new contract language.

Responsible Manager

Associate Commissioner, Behavioral Health Contract Operations

Target Implementation Date

September 30, 2025

Recommendation: The Commission should attempt to recoup the funds paid in error or due to unallowability.

Statement of Agreement/Disagreement

Agree

Action Plan

The Commission processed a reduced payment to the vendor providing mental health services to clients at the Civil Commitment Center in April

2024 as part of the Purchase Order closeout, which reduced the amount of the overpayment to \$7,951.70.

This amount and any funds determined to be paid in error or due to unallowability, the Commission will attempt to recoup these funds.

Responsible Manager

Deputy Director for Expenditure Management

Associate Commissioner, Behavioral Health Contract Operations

Target Implementation Date

December 31, 2024

Chapter 2-A

LOW

Center Management, Treatment Services, and Medical Service Payments

The Office’s payments for management of the Center, treatment services, and on-site medical services were accurate and allowable.



The Office paid its contractor a per diem rate (per client, per day) to manage the operations of the Center, which included expenses for the secured facility and staff, behavioral treatment services, and on-site medical services (health care) to clients at the Center.

Overall, the Office had processes to verify that (1) invoices for services provided to its civilly committed clients at the Center were allowable and accurate (see Figure 5) and (2) treatment and medical services were provided according to contract terms. Specifically, the Office accurately paid all **\$19.7 million** for Center operations, behavioral treatment services, and on-site medical services for the 465 clients at the Center. The Office made minor errors when recalculating overtime expenses for Center operations, but those errors did not have a significant impact on the amount paid.

In addition, the Office adequately monitored the contractor to verify it provided required treatment services using a third-party case management system. That system had adequate user access controls and information technology controls to ensure the reliability of treatment service records.

Figure 5

Invoices for Center Management, Treatment Services, and Medical Services



Source: Management & Training Corporation (contractor) invoices.

The Office accurately paid for allowable off-site medical services.

As part of the same contract for management of the Center, the Office was required to reimburse its contractor for off-site medical costs greater than \$25,000 per client each fiscal year.

While the Office reimbursed its contractor for a small number of dental procedures unallowed by the contract, all other medical services **totaling \$3.0 million** provided outside the Center and reimbursed by the Office were allowable, accurate, and supported by claims forms and the contractor's accounting records.

Chapter 2-B

Sanctions for Management of Center and Treatment Services

MEDIUM



The Office's contract established compliance standards and sanction amounts for the contractor's failure to meet contract requirements. The sanctions reduce the Office's monthly payment to the contractor for services provided.

The Office had a robust process for assessing sanctions; however, it should update its formulas to consistently assess the correct sanction amounts.

The Office had a process for sanctioning the contractor for noncompliance that included:

- Developing a separate tool for reviewing or calculating sanctions for noncompliance for the 10 compliance standards specified in the contract.
- Documenting detailed procedures for gathering the reports and other records needed to identify noncompliance.
- Ensuring that Office staff had an in-depth knowledge of the contract requirements for sanctions.

As a result, the Office assessed sanctions totaling \$244,882 between September 2023 and November 2023.

However, the Office underassessed the sanctions by \$80,892 for the 3 months tested. Most of the errors may be easily remedied by updating the formulas used to review and calculate the sanctions. For example:

- The Office applied the incorrect contract definition of days in one of its calculations.
- The Office did not account for client tier changes in three of its calculations as required by the contract.

Recommendation

The Office should review and update its formulas for calculating sanctions to ensure that they are consistent with the contract requirements.

Office Management's Response

The Texas Civil Commitment Office (TCCO) agrees with the recommendation in Chapter 2B and has already taken steps to correct the issues identified by the auditors. TCCO's Budget Manager has already worked with the contractor to revise the method in which days are calculated for the purpose of determining vacancy deductions and will continue to calculate days in this updated manner going forward. TCCO's Deputy Director has already worked with TCCO's Data Analyst to revise the penalty tools and will ensure those changes are carried forward when the Fiscal Year 2025 tools are developed for use by September 1, 2024.

Chapter 3

LOW

GPS Device Monitoring Services and Biennial Examination Services

GPS monitoring and biennial examination service expenditures were properly approved and accurate.



GPS Device Monitoring Service Expenditures. The Office properly approved and accurately paid **\$328,133** for all expenditures related to Global Positioning System (GPS) device monitoring services (see text box for more information about those services).

The Office used a highly manual process to track GPS devices and verify monthly costs. For instance, the Office relied on a large number of notification emails to validate the accuracy of billed GPS device activity. While its process worked, the Office could benefit from exploring a more efficient invoice validation process, which may include using available reports in the contractor’s system.

That system had adequate information technology controls to ensure the reliability of device records in the system that the GPS contractor used to calculate invoices.

Additionally, historically the Office had a disproportionate number of spare GPS devices. In June 2023, it re-evaluated its process for managing spare GPS device inventory levels. As a result, it significantly reduced the number of spare devices and the amount it paid for the devices each month.

GPS Monitoring Requirement

The Office required clients to have GPS devices to track their movements in the following instances:

- Client leaves the Center (such as for a doctor appointment).
- Client is a new arrival or assigned to a more restrictive treatment tier.
- Client is non-compliant with program requirements.
- Client has a special condition of supervision.
- Client resides in the community outside the Center.

Source: Texas Administrative Code, Title 37, Part 16, Rule 810.156.



Biennial Examination Service Expenditures. From September 2022 through November 2023, the Office paid \$417,900 for 139 biennial examinations. The Office properly approved and paid all 29 expenditures tested, totaling **\$115,450**, based on the contracted rates. The Texas Health and Safety Code, Chapter 841, requires these examinations to be performed once every two years to consider whether a client’s behavioral abnormality has changed to the

extent that the person is no longer likely to engage in a predatory act of sexual violence.

To comply with that requirement, the Office contracted with eight vendors that are certified psychiatrists or psychologists and monitored their compliance with completing biennial examination services for civilly committed clients.

LOW

Chapter 4 Administrative and Executive Compensation

The Commission accurately paid the Office’s administrative and executive compensation.



Because the Office is administratively attached to the Commission, the Commission is responsible for processing the Office’s compensation. The Office’s administrative and executive compensation, totaling **\$2.6 million** between September 2022 and November 2023, was properly approved and accurate. Specifically, the Office employees’ salaries were authorized, the compensation paid was correctly calculated, and separating employees were properly removed from the payroll.

However, the Commission paid one Office employee’s compensation totaling \$9,777 using the incorrect appropriation. Beginning September 2023, the General Appropriations Act (88th Legislature) required the Office to pay administrative expenditures using a separate appropriation. According to the Commission, there was a delay in coding the employee’s compensation to the new appropriation number.

Recommendation

The Commission should charge the Office’s administrative staff’s compensation to the correct appropriation number as required.

Commission Management’s Response

Statement of Agreement/Disagreement

Agree

Action Plan

There was a transitional period and all necessary corrections were completed as of April 18, 2024.

Responsible Manager

State Operations & Facility Support, Budget Administrative Services
Team Lead

Implementation Date

April 18, 2024



Appendix I

Objective, Scope, and Methodology

Objective

The objective of this audit was to determine whether the Texas Civil Commitment Office (Office) has unallowable expenses related to medical, behavioral, and mental health services provided to clients at the Office, including medical service payments, pharmaceutical purchases, administrative and executive compensation, salary transactions, and contracted services.

Scope

The scope of this audit included the Office's and the Health and Human Services Commission's (Commission) financial transactions related to services provided by its contractors to Office clients, and the Office's payroll expenditures between September 2022 and November 2023.

In addition, the scope included analytical procedures of the Office's financial transactions related to services provided to Office clients between September 2020 and November 2023.

The scope also included a review of significant internal control components related to the Office's and the Commission's financial and contract monitoring processes related to the Texas Civil Commitment Center (Center).

The following members of the State Auditor's staff performed the audit:



- Kelley Ngaide, CIA, CFE (Project Manager)
- Scott Labbe, CPA (Assistant Project Manager)
- Alyssa Alvarado
- Vasil Cikopana
- Evan Cresap, CPA
- Lindsay Escalante
- Karmalita Fults
- Lauren Ramsey
- Daniel Spencer, MSA, CFE
- Serra Tamur, MPAff, CISA, CIA
- Jacqueline Thompson, CIA, CFE
- Robert G. Kiker, CFE, CGAP (Quality Control Reviewer)
- Lauren Godfrey, CPA, CIA, CGAP (Assistant State Auditor)

Methodology

We conducted this performance audit from September 2023 through May 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective. In addition, during the audit, matters not required to be reported in accordance with *Government Auditing Standards* were communicated to the Office's and the Commission's management for consideration.

Addressing the Audit Objective

During the audit, we performed the following:

- Interviewed Office staff to gain an understanding of the Office's payment and monitoring activities for contractors that provide services to civilly committed clients, including internal controls that support those activities.
- Interviewed Commission staff to gain an understanding of payment and monitoring activities performed for its mental health services contractor and the Commission's payroll process, including internal controls that support those activities.
- Identified the relevant criteria:
 - The Office's contracts for the following services: (1) management of the Center, treatment services, and medical services for civilly committed clients; (2) biennial examination services; and (3) electronic Global Positioning System (GPS) device services.
 - The Commission's contract for mental health services for civilly committed clients.
 - The Office's and Commission's policies and procedures.
 - *State of Texas Procurement and Contract Management Guide*, versions 2.1 and 3.0.

- Texas Government Code, Chapter 659.
- General Appropriations Act (88th Legislature).
- Texas Health and Safety Code, Chapter 841.
- Analyzed all of the Office’s expenditures and the Commission’s mental health service expenditures for Office clients.
- Tested the population of the following expenditures to determine whether they were approved, allowable, and accurate; and whether services were provided:
 - Management of the Center, treatment services, and medical services (on-site and off-site health care costs) provided to clients, including credits and deductions.
 - Electronic GPS device monitoring services.
 - Mental health services.
- Tested the following samples, which were not representative of the populations; therefore, it would not be appropriate to project the test results to the populations:
 - A sample of all sanctions assessed (adjustments on contractor’s invoices) for 3 of 13 months to verify completeness, accuracy, and that services were provided as required by the contract. The sample was selected using professional judgment so the months would be consecutive—specifically, between September 2023 and November 2023. The population consisted of 13 monthly sanction assessments totaling \$1,496,273.
 - A sample of 29 biennial examination service expenditures to verify they were supported, accurate, and approved. The population consisted of 139 expenditures totaling \$417,900. The sample was chosen primarily using random selection so that a cross section of biennial service expenditures would be represented; one risk-based item was selected for representation of the largest payment.
 - A risk-based sample of 30 of 465 clients at the Center who received off-site medical services to verify the contractor also provided **on-site** medical services to those clients. This sample design was chosen so the clients who were at highest risk of needing on-site medical services would be tested.

- Reconciled the (1) Office's off-site medical reimbursement expenditures and (2) Commission's mental health service expenditures to the contractor's accounting system to verify they were supported.
- Confirmed the Office's off-site medical expenditures (reimbursed to the contractor) directly with health care providers.
- Tested the Office's administrative and executive staff compensation to verify accuracy and proper authorization.
- Tested user access to the Office's third-party vendor's case management system and reviewed its System and Organization Controls 1 (SOC) type 2 report that evaluated information technology controls to ensure that client records were reliable.
- Reviewed the SOC type 2 report for the Office's third-party GPS device monitoring system to ensure that GPS device activity data was reliable.
- Performed selected investigative procedures to identify potential conflicts of interest between the Office's staff, Commission's staff, and its primary contractor providing services to Office clients at the Center.

Data Reliability and Completeness

To determine data reliability and completeness, auditors performed certain procedures. Specifically:

- **All data sets.** Auditors (1) independently queried the data and/or reviewed query parameters and (2) analyzed key fields for reasonableness and completeness. Based on that work, auditors determined that the following data populations were sufficiently reliable for the purposes of the audit:
 - Management & Training Corporation's (MTC) accounting records for off-site medical expenditures.
 - MTC's accounting records for mental health expenditures for clients.
 - MTC's personnel records.
 - MTC's payroll and timekeeping records for management of the Center and mental health services.
- **CSS system.** Auditors performed additional procedures to determine that the Office's client records in the third-party vendor's case management system used by the Office, the Corrective Software

Solutions (CSS) system, were reliable for purposes of this audit. Those procedures included (1) conducting user access testing of CSS and (2) reviewing the results of the independent examination that verified the information technology controls over CSS.

- **GPS records.** Auditors performed additional procedures to determine that the third-party vendor's (Allied Universal) GPS device monitoring records, including spare device records in its electronic monitoring system, were reliable for purposes of this audit. Those procedures included reviewing the results of the independent examination that verified the information technology controls over the third-party electronic device monitoring system used by the Office.
- **USAS and CAPPs.** Auditors relied on prior State Auditor's Office review of the Uniform Statewide Accounting System (USAS) and the Texas Comptroller's Centralized Accounting and Payroll/Personnel System (CAPPs) and reconciled data sets as needed to determine that the following data sets were reliable for purposes of this audit:
 - USAS data on the Office's expenditures.
 - USAS data on the Commission's expenditures for mental health services provided to Office clients.
 - CAPPs payroll expenditures for Office staff.

Report Ratings

In determining the ratings of audit findings, auditors considered factors such as financial impact; potential failure to meet program/function objectives; noncompliance with state statute(s), rules, regulations, and other requirements or criteria; and the inadequacy of the design and/or operating effectiveness of internal controls. In addition, evidence of potential fraud, waste, or abuse; significant control environment issues; and little to no corrective action for issues previously identified could increase the ratings for audit findings. Auditors also identified and considered other factors when appropriate.

Appendix 2

Related State Auditor's Office Reports

Figure 6

Report Number	Report Name	Release Date
23-034	<i>An Audit Report on Contract Management at the Texas Civil Commitment Office</i>	June 2023



Copies of this report have been distributed to the following:

Legislative Audit Committee

The Honorable Dan Patrick, Lieutenant Governor, Joint Chair

The Honorable Dade Phelan, Speaker of the House, Joint Chair

The Honorable Joan Huffman, Senate Finance Committee

The Honorable Robert Nichols, Member, Texas Senate

The Honorable Greg Bonnen, House Appropriations Committee

The Honorable Morgan Meyer, House Ways and Means Committee

Office of the Governor

The Honorable Greg Abbott, Governor

Texas Civil Commitment Office

Members of the Texas Civil Commitment Office Board

Ms. Marsha McLane, Executive Director

Health and Human Services Commission

Ms. Cecile Erwin Young, Executive Commissioner

House Appropriations Committee

Members of the House Appropriations Committee

Senate Finance Committee

Members of the Senate Finance Committee



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