

Table of Contents

An Audit Report on Performance Measures at 20 State Agencies and 1 Educational Institution

July 1996

Key Points of Report

Executive Summary	1
Detailed Certification Results, Findings, and Agency Responses	7
Supreme Court	9
Court of Criminal Appeals	10
Office of Court Administration	11
State Commission on Judicial Conduct	12
Office of the Attorney General	13
General Services Commission	16
Office of the Secretary of State	18
Department of Human Services	20
Employees Retirement System	23
Board of Tax Professional Examiners	26
Texas Lottery Commission	30
Board of Plumbing Examiners	34
Public Utility Commission of Texas	36
Advisory Commission on State Emergency Communications	38
Texas Water Development Board	41

Table of Contents, concluded

Texas Natural Resource Conservation Commission	42
Texas Youth Commission	45
Texas Education Agency	50
Texas State Technical College	52
Follow-Up Results of Previous Audits	57
Office of the Attorney General	59
General Services Commission	60
Department of Human Services	61
Public Utility Commission	62
Texas Water Development Board	63
Texas Natural Resource Conservation Commission	65
Texas Youth Commission	66
Texas Education Agency	67
Appendices	69
1 - Objectives, Scope, and Methodology	71
2 - Background Information	73

Key Points Of Report

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Overall Conclusion

The reliability of performance measure reporting continues to improve. Controls over the collection and reporting of performance measure data have been strengthened. However, persistent control weaknesses at some agencies have resulted in unreliable data. As a result, a significant amount of key performance information cannot be relied upon by decisionmakers. Recommended improvements should further enhance performance measurement system reliability.

Key Facts and Findings

- Approximately 68 percent of the 105 performance measures reviewed at 20 agencies and one educational institution were determined to be reliable. About 20 percent of the measures were inaccurate and factors prevented certification of the remaining 12 percent.
- The agency results represent a 26 percent improvement in reliability over the most recent performance measure audit. Improved controls over the collection and reporting of performance measure data was the primary reason for improvement.
- Although controls have improved, significant weaknesses continue to prevent a higher reliability rate. Supervisory reviews were not performed for 37 percent of the measures reviewed. As a result, some collection and reporting errors were not detected and the reported performance could not be certified. The errors included inadequate supporting documentation, failure to follow measure definitions, and mathematical inaccuracies.
- Assistance was provided to agencies with significant weaknesses or new performance measures. The Board of Tax Professional Examiners received detailed recommendations to improve performance reporting.

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Office of the State Auditor

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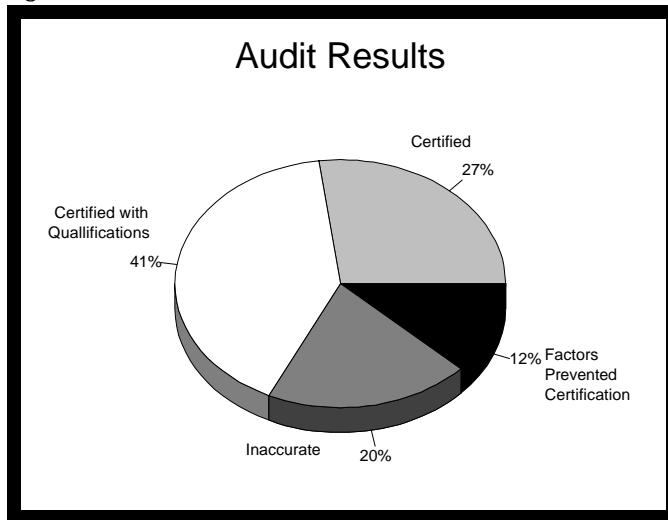
This audit was conducted in accordance with Government Code § 2101.038 and the Lieutenant Governor's Budget Reform Proposal, as adopted by the Legislative Budget Board on November 18, 1991, and in cooperation with the Legislative Budget Board.

Executive Summary

The Reliability of Performance Measure Reporting Continues to Improve

Performance reporting accuracy and related controls have improved. Approximately 68 percent of the 105 performance measures reviewed at 20 agencies and one educational institution were determined to be reliable. (See Figure 1.) A measure is reliable if it has been categorized as “Certified” or “Certified with Qualification.” (See Figure 2.) About 20 percent of the measures were inaccurate, and factors prevented certification of the

Figure 1



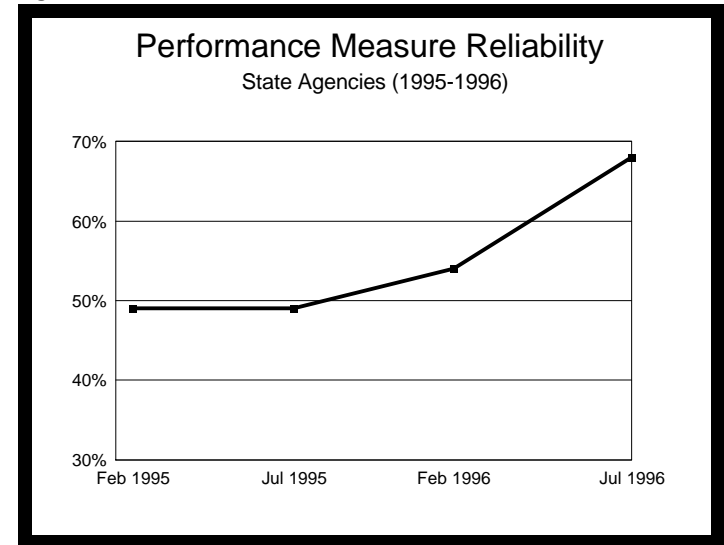
remaining 12 percent. These results represent a 26 percent improvement in reliability over the most recent performance

Figure 2

Categories	Definitions
Certified	Reported performance is accurate within five percent of actual performance.
Certified with Qualification	Reported performance is accurate but controls could be improved.
Factors Prevented Certification	Actual performance cannot be determined because of inadequate controls.
Inaccurate	Reported performance is not within five percent of actual performance.

The reliability percentage for the last four audits were 49 percent, 48.8 percent, 54 percent, and 68 percent respectively. (See Figure 3.)

Figure 3



Executive Summary

The increased reliability is due to the continuing improvement of controls over performance data collection and reporting. Eight agencies reviewed during the current audit had received prior performance measure audits. Follow-up audit results at these agencies indicate improved controls over most of the measures. (See pages 57-68 for follow-up audit results.) The control improvements include:

- implementation of written policies and procedures
- performance measure definition refinements
- automated system control enhancements
- increased monitoring and review of performance data

Supervisory Reviews Could Further Increase Performance Reporting Reliability

Although performance measurement controls have improved, persistent control weaknesses continue to prevent a higher reliability rate. Supervisory reviews of performance data were not performed for 37 percent of the measures reviewed. As a result, collection and reporting errors were not detected and the reported performance could not be certified. The errors included inadequate supporting documentation, failure to follow measure definitions, and mathematical inaccuracies.

The ideal performance measurement system should include the following review procedures to prevent or detect reporting errors:

- Data submitted by field offices and third parties should be reviewed for accuracy and completeness.
- The measure calculation should be reviewed for consistency with the measure definition and mathematical accuracy.

- Supporting documentation should be reviewed for accuracy and completeness.
- The final results submitted to the Legislative Budget Board should be compared to the summary documentation to ensure data-entry accuracy.

Additional information for improving performance measurement controls can be found in the *Guide to Performance Measurement*. This publication was developed by the State Auditor's Office, the Legislative Budget Board, and the Governor's Office of Budget and Planning. The *Guide* includes recommendations for implementing a reliable performance measurement system. Specific recommendations have also been provided to the agencies during performance measure audits. (See Detailed Certification Results, Findings, and Agency Responses on pages 7-55.)

Executive Summary

Assistance Was Provided to Agencies with Significant Weaknesses or New Performance Measures

The Board of Tax Professional Examiners did not have the fundamental controls in place to accurately report performance results. (See agency finding on page 29.) Agency management has begun the process of developing a performance measurement system. Procedures, processes, and systems were reviewed and recommendations were provided to the Board. The Executive Director has requested a future audit to determine the effectiveness of the agency's efforts.

Assistance was also provided to the Department of Information Resources and the Teacher Retirement System. These agencies will be reporting several new measures for fiscal year 1996. Control systems were reviewed and recommendations were provided to help ensure the accuracy of future reported results.

Summary of Managements' Responses

Responses to the audit findings were provided by agency management and are included in the report after the related finding. The responses indicate that management generally agrees with the recommendations for improvement.

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) II database. Related control systems were reviewed for adequacy, and procedures were conducted to determine whether deficiencies identified during previous audits had been corrected. Assistance was provided to agencies with collection and reporting problems. Performance information was traced back to original sources.

Executive Summary

Table of Current Results

Entity Name ¹	Certified	Certified with Qualification	Factors Prevented Certification	Inaccurate	Total Measures Audited	Reliability Percentage ²
Supreme Court	2	0	0	0	2	100%
Court of Criminal Appeals	0	3	0	0	3	100%
Office of Court Administration	0	2	0	1	3	67%
State Commission on Judicial Conduct	0	3	0	0	3	100%
Office of the Attorney General	8	1	0	0	9	100%
General Services Commission	0	2	0	2	4	50%
Office of the Secretary of State	0	2	1	0	3	67%
Department of Human Services	2	5	0	1	8	88%
Employees Retirement System	0	8	0	0	8	100%
Board of Tax Professional Examiners	0	0	7	0	7	0%
Texas Lottery Commission	0	0	1	1	2	0%
Board of Plumbing Examiners	1	3	1	1	6	67%
Public Utility Commission of Texas	0	0	0	5	5	0%

1. The Teacher Retirement System and the Department of Information Resources were provided with agency assistance. Certification testing of specific performance measures was not performed.

2. The reliability percentage is based upon a non-statistical sampling methodology. The sample results do not necessarily reflect the reliability of the total population of performance measures.

Commission on State Emergency Communications	0	1	1	5	7	14%
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Table of Current Results

Entity Name ¹	Certified	Certified with Qualification	Factors Prevented Certification	Inaccurate	Total Measures Audited	Reliability Percentage ²
Texas Water Development Board	2	0	0	0	2	100%
Texas Natural Resources Conservation Commission	0	4	2	2	8	50%
Texas Youth Commission	7	2	0	0	9	100%
Texas Education Agency	6	0	0	3	9	67%
Texas State Technical College	0	7	0	0	7	100%
Totals	28	43	13	21	105	68%
Percentages	27%	41%	12%	20%	100%	68%

1. The Teacher Retirement System and the Department of Information Resources were provided with agency assistance. Certification testing of specific performance measures was not performed.

2. The reliability percentage is based upon a non-statistical sampling methodology. The sample results do not necessarily reflect the reliability of the total population of performance measures.

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Detailed Certification Results, Findings, and Agency Responses

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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 201 Supreme Court									
1.	Disposition Rate (as a Percent of Total Cases)	Outcome	76.7%	*					
1.	Average Time (Days) From Submission to Release of an Opinion	Efficiency	190.47	*					

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

² Results are reported for FY 1995 unless otherwise indicated. All numbers are from ABEST II - Automated Budget and Evaluation System of Texas.

*Key for Certification Results	
C	- Certified
CQ	- Certified with Qualifications
FPC	- Factors Prevented Certification
I	- Inaccurate
N/A	- Not Applicable

Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 211 Court of Criminal Appeals									
1.	Disposition Rate for PDRs Granted (as a Percent)	Outcome	48%		*				Supervisory reviews of performance data were not performed.
1.	Average Time (Days) from the Time PDRs are Granted Until Disposition	Efficiency	353		*				Supervisory reviews of performance data were not performed.
2.	Percent of Judges Trained in Judicial Education Courses	Outcome	90%		*				Standard criteria or procedures to ensure consistent reporting by all training entities do not exist. Supervisory reviews of performance data were not performed.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 212 Office of Court Administration									
1.	Monthly Activity Reports Processed	Output	29,347		*				Data entry controls are inadequate to ensure the accuracy of future performance reporting.
2.	Number of Cases Transferred by the Supreme Court	Output	801		*				Data entry controls are inadequate to ensure the accuracy of future performance reporting.
3.	Number of Assignments of Visiting Judges by the Presiding Judges	Output	7,221				*		Controls do not exist to ensure the accuracy of information provided by the Presiding Judges. Data entry controls are inadequate to ensure the accuracy of future performance reporting.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 242 State Commission on Judicial Conduct									
1.	Complaints Filed	Output	833		*				Supervisory reviews of performance data were not performed.
1.	Complaints Disposed	Output	705		*				Supervisory reviews of performance data were not performed.
1.	Average Number of Months Required to Resolve Complaints	Efficiency	6.1		*				Supervisory reviews of performance data were not performed.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 302 Office of the Attorney General									
B.1.1	Amount of Child Support Collected (in Millions)	Output	\$129.9 (First Quarter 1996)	*					
B.1.1	Number of Children for Whom Paternity has been Established	Output	9,935 (First Quarter 1996)	*					
B.1.1	Number of Child Support Obligations Established	Output	10,357 (First Quarter 1996)	*					
B.1.1	Number of AFDC Cases Transferred to Non-AFDC Status	Output	6,189 (First Quarter 1996)		*				Controls were not adequate to ensure that supporting data was maintained.
B.1.1	Number of Paternity Cases Established	Output	8,137 (First Quarter 1996)	*					

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 302 Office of the Attorney General									
B.1.1	Ratio of Total Dollars Collected per Dollar Spent	Efficiency	\$5.41 (First Quarter 1996)	*					

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¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 302 Office of the Attorney General									
C.1	Average (Days) Turnaround Time for Payment of Bills	Outcome	98	*					
C.1.1	Number of Eligibility Determinations Made	Output	3,231 (First Quarter 1996)	*					
C.1.1	Average Cost per Eligibility Determination Made	Efficiency	\$176.73 (First Quarter 1996)	*					

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 303 General Services Commission									
A.2	Percent Attained of the Applicable Performance Standards for Preventative Maintenance, Asbestos Management, Grounds Maintenance, Custodial Services, and Energy Consumption	Outcome	73%		*				A supervisory review over data entry was not performed.
A.6	Percentage of Leases Processed Within 120 Days	Outcome	41%				*		The measure definition was not followed. The number of leases that took <i>more</i> than 120 days to process were used in the performance calculation. The measure definition requires the calculation of the number of leases processed <i>within</i> 120 days.
B.1	Ratio of Owned to Leased Space in Travis County	Outcome	1.19%		*				A supervisory review of the measure calculation was not performed.
A.6.1	Average Lease Processing Time (Days)	Efficiency	105.1 (First Quarter 1996)				*		A consistent methodology for determining processing days was not used. A supervisory review of the measure calculation was not performed.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 307 Office of the Secretary of State									
A.1	Percent of Business Organization Document Filings and Public Information Request Responses Completed Within 3 Days	Outcome	74.7%		*				Supervisory reviews of performance data were not conducted.
A.1	Percent of Secured Transaction Document Filings and Public Information Request Responses Completed Within 3 Days	Outcome	93%		*				Supervisory reviews of performance data were not conducted.
B.1	Percent of Election Officials Trained	Outcome	86.1%			*			The measure definition was not followed and supervisory reviews of performance data were not conducted.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Results of Performance Measures Review

Sources:

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or 74th Legislature, R.S. (1995).

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***Key for Certification Results**

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I	-	Inaccurate
N/A	-	Not Applicable

Finding

Office of the Secretary of State

The Measure Definition Was Not Followed and Supervisory Reviews Were Not Conducted

Key Performance Measure:

- Percent of Election Officials Trained

Factors prevented certification for the above measure because the Secretary of State did not have adequate controls to ensure reliable performance reporting. Estimated data was used to compute the results for “Percent of Election Officials Trained.” The measure definition does not allow the use of estimates. As a result, the accuracy of the reported performance could not be verified.

Additionally, documentation did not exist to prove that supervisory reviews were performed before the performance data was submitted to the ABEST II database. The reviews are necessary to help prevent or detect collection and reporting errors.

Recommendation:

The Secretary of State should work with the Legislative Budget Board to determine if estimated data should be used for this

measure. The measure definition should be revised to reflect any changes in the approved calculation methodology.

Additionally, performance results should be reviewed by a supervisor before submission to the ABEST II database. The reviewer should initial and date each report before release.

Management’s Response:

The measure definition repeatedly uses the word “estimated” with respect to the number of elections officials in the state. The word “estimated” will be added to modify “total number trained” so that the measure should not be misunderstood by any user. This measure definition was followed in reporting subject to the inherent limitations of using estimated data when actual data is not available. We will review all measures that require estimates with the Legislative Budget Board and seek cost effective improvements in the performance measurement process.

All performance results are reviewed by two levels of senior management prior to release to the ABEST II database. We will adopt a more formal process of documenting reviews and approvals.

Results of Performance Measures Review

Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 324 Department of Human Services									
A.1.3	Number of Persons Determined Eligible: Nursing Facilities	Output	67,790 (First Quarter 1996)		*				Written procedures for performance calculation did not exist. Supervisory review of measure calculation was not performed.
A.1.3	Cost per Eligibility Determination: Nursing Facilities	Efficiency	\$217.16 (First Quarter 1996)				*		The performance calculation was correct. However, a data entry error caused inaccurate reporting. Written procedures for performance calculation did not exist. Supervisory review of measure calculation was not performed.
B.1.2	Number of Children Served Through Child Care Services for Low-income Eligibles	Output	50,269 (First Quarter 1996)		*				Supervisory review of performance data was not performed.
Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 324 Department of Human Services									

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Results of Performance Measures Review

B.1.2	Average Cost per Child per Day for Child Care Services	Efficiency	\$13.40 (First Quarter 1996)		*					A supervisory review of performance data was not performed.
C.1.1	Number of Women Receiving Shelter	Output	2,981 (First Quarter 1996)	*						
C.1.1	Average Cost per Shelter Resident Day	Efficiency	\$53.77 (First Quarter 1996)	*						
A.1.2	Number of Clients Receiving In-Home/Family Support Cash Subsidy per Month	Output	2,778 (First Quarter 1996)		*					Written procedures for performance calculation did not exist. Supporting documentation was not maintained. Supervisory review of performance data was not performed.

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 224 - Department of Human Services									

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Results of Performance Measures Review

A.1.2	Average Monthly Cost of IHFS per Client	Efficiency	\$158.20 (First Quarter 1996)		*				Written procedures for performance calculation did not exist. Supporting documentation was not maintained. Supervisory review of performance data was not performed.
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Sources:

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N/A	- Not Applicable

Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 327 Employees Retirement System									
A.1.1	Number of Member Accounts Serviced	Output	178,633 (First Quarter 1996)		*				Supervisory reviews of performance data were not conducted.
A.1.1	Percent of ERS Retirees Who Receive Their First Annuity Within 31 Days of Their Effective Retirement Date	Efficiency	99.8% (First Quarter 1996)		*				Supervisory reviews of performance data were not conducted.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 327 Employees Retirement System									
B.1.1	Network Hospital Admissions as a Percent of Total Hospital Admissions, Duration < Five Days	Output	69% (First Quarter 1996)		*				Supervisory reviews of performance data were not conducted.
B.1.1	Network Mental Health/Substance Abuse Hospital Days as a Percent of Total Mental Health/Substance Abuse Hospital Days	Output	57.2% (First Quarter 1996)		*				Supervisory reviews of performance data were not conducted.
B.1.1	Average Insurance Carrier Cost to Process Claims (All Employees)	Efficiency	\$6.48 (First Quarter 1996)		*				Supervisory reviews of performance data were not conducted.
A.1	ERS Time-Weighted Rate of Return	Outcome	11.23%		*				Supervisory reviews of performance data were not conducted.
A.1.3	Number of JRS-1 Benefit Applications Processed	Output	6% (First Quarter 1996)		*				Supervisory reviews of performance data were not conducted.

Sources:

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Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 327 Employees Retirement System									
A.1.3	Percent of JRS-1 Retirees Who Receive Their First Annuity Within 31 Days of Their Effective Retirement Date	Efficiency	100% First Quarter 1996)		*				Supervisory reviews of performance data were not conducted.

Sources:

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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 337 Board of Tax Professional Examiners									
A.1	Percent of Registrants Certified	Outcome	70%			*			The measure definition did not exist. As a result, performance reports could not be verified.
A.2	Percent of Complaints Resolved Resulting in Disciplinary Action	Outcome	20%			*			The measure definition did not exist. As a result, performance reports could not be verified.
B.1	Number of Approved Courses Presented	Outcome	45			*			The measure definition did not exist. As a result, performance reports could not be verified.
A.1.1	Number of Persons Certified/Recertified	Output	220 (First Quarter 1996)			*			The measure definition did not exist. As a result, performance reports could not be verified.
A.1.1	Individuals Examined	Output	148 (First Quarter 1996)			*			The measure definition did not exist. As a result, performance reports could not be verified.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

² Results are reported for FY 1995 unless otherwise indicated.

All numbers are from ABEST II - Automated Budget and Evaluation System of Texas.

*Key for Certification Results	
C	- Certified
CQ	- Certified with Qualifications
FPC	- Factors Prevented Certification
I	- Inaccurate
N/A	- Not Applicable

Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 337 Board of Tax Professional Examiners									
B.1.1	Complaints Resolved	Output	3 (First Quarter 1996)			*			The measure definition did not exist. As a result, performance reports could not be verified.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).
² Results are reported for FY 1995 unless otherwise indicated. All numbers are from ABEST II - Automated Budget and Evaluation System of Texas.

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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 337 Board of Tax Professional Examiners									
B.1.1	Average Time for Complaint Resolution	Efficiency	3 (First Quarter 1996)			*			The measure definition did not exist. As a result, performance reports could not be verified.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

² Results are reported for FY 1995 unless otherwise indicated. All numbers are from ABEST II - Automated Budget and Evaluation System of Texas.

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Finding

Board of Tax Professional Examiners

Performance Measure Definitions Did Not Exist

Key Performance Measures:

- Percent of Registrants Certified
- Percent of Complaints Resolved Resulting in Disciplinary Action
- Number of Approved Courses Presented
- Number of Persons Certified/Recertified
- Individuals Examined
- Complaints Resolved
- Average Time for Complaint Resolution

Factors prevented certification for the above measures because performance measure definitions did not exist. Measure definitions are necessary to document the collection and calculation methods used to determine performance results. Without definitions, the reported performance could not be verified.

Management has begun a review of the strategic plan and the related performance measures. Measure definitions have been developed for future performance reporting.

Recommendation:

Agency management should consult with the Legislative Budget Board (LBB) to complete the development of the measure definitions. Additionally, controls over the collection and reporting of performance data should be implemented to ensure the accuracy of future reporting.

Management's Response:

The Board has developed all definitions and submitted the definitions to the Legislative Budget Board (LBB). New procedures will be implemented to ensure the accuracy of future reporting.

Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 362 Texas Lottery Commission									
B.1	Percentage of Bingo Licensees Making Use of Regulatory Instruction	Outcome	117%			*			Source documentation was insufficient to support reported results.
B.2	Average Bingo License Processing Time (Days)	Outcome	51.2				*		The calculation methodology used to determine the number of license processing days was inconsistent. In some cases, the processing time began upon receipt of the application. In other cases, the processing time began when the application information was entered into the Charitable Bingo System. In addition, the measure definition was not followed. License applications that were denied were incorrectly excluded from the reported result.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

² Results are reported for FY 1995 unless otherwise indicated. All numbers are from ABEST II - Automated Budget and Evaluation System of Texas.

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Finding

Lottery Commission

Source Documentation Was Insufficient to Support Reported Results

Performance Measure:

Percentage of Bingo Licensees Making Use of Regulatory Instructions

Factors prevented certification for the above measure because adequate source documentation confirming the number of licensees receiving regulatory instructions was not maintained. As a result, the accuracy of the reported results could not be verified.

The measure definition requires the calculation of the number of licensees attending Bingo seminars and Bingo interviews. Documentation identifying individual licensees attending the seminars and interviews was not maintained. Without this documentation, individual licensee attendance could not be confirmed.

Source documentation for some components of the calculation was available. However, this documentation was insufficient to determine the accuracy of the reported results.

Recommendation:

The agency should review the reasonableness of obtaining individual licensee attendance information. If the agency determines that obtaining this information is unreasonable, the Legislative Budget Board should be consulted to approve any

measure definition changes. Otherwise, individual licensee information should be maintained.

Management's Response:

Percentage of Bingo Licenses Making Use of Regulatory Instructions

Management disagrees with the finding. Management agrees with the recommendation. The regulation of Charitable Bingo was transferred from the Texas Alcoholic Beverage Commission (TABC) to the Texas Lottery Commission (TLC) on April 1, 1994. The TLC began reporting on performance measures midway through the third quarter of fiscal year 1995.

The TLC did not develop nor have input into the development of the FY 1994 - 1995 performance measures. TLC staff based its performance measure reporting requirements on the TABC definitions of the measures and on conversations with TABC staff who had developed and reported on these measures in the past. As such, the procedures and algorithms used were the same as those used by the Texas Alcoholic Beverage Commission. Any change in these procedures and algorithms would have resulted in inconsistent and inaccurate reporting of these measures during the same biennium.

Finding

Lottery Commission

There are eight components to this measure. Summary documentation for all eight components is maintained, as required by the Guide to Performance Measurement manual promulgated by the State Auditor's Office. Detailed documentation for seven of the eight components is also maintained by the Commission. The goal of this measure is to ensure the Commission is assisting and providing regulatory instruction to its Bingo licensees. To that end, the Commission set a goal of instructing 35% of its Bingo licensees in FY 1995. The Commission far exceeded its goal.

The Texas Lottery Commission did further define this and related performance measures for fiscal years 1996 and 1997. We believe with these new definitions a more accurate reporting mechanism will occur for this biennium. Management will continue to improve the controls over the performance measurement process. Management appreciates the assistance provided by the State Auditor's Office during this review.

Audit Follow-Up Response:

Management's response states, "...Any change in these procedures and algorithms would have resulted in inconsistent and inaccurate reporting of these measures during the same biennium ..." We disagree that maintaining source documentation would cause any inaccuracies or inconsistencies in reporting performance results. Additionally, the response makes reference to the *Guide to Performance Measurement*. The *Guide* (page A-18), also states source documentation that "prove[s] the activity occurred" is

required. This source documentation was not maintained for both of the components explicitly required by the measure definition.

Average Bingo License Processing Time (Days)

Management disagrees with the comment. In FY'95, the Texas Lottery Commission (TLC) was in a transitional phase in reporting Charitable Bingo performance measures defined by Texas Alcohol Beverage Commission (TABC). After regulation of Bingo transferred from TABC to TLC, we were asked by the LBB to provide consistent historical measures for the Legislative Budget Board to analyze. Thus, TLC's performance measure procedures, types of data collected, and reported data had to be incorporated in the structure which TABC developed and reported on during the biennium FY'94 to FY'95. However, the definition found by the State Auditors in the Automated Budget and Evaluation System of Texas (ABEST) and used in their evaluation of this performance measure is the Texas Lottery Commission's definition for the biennium of FY'96 to FY'97. The calculation methodology utilized by the Commission for the measure "Average Bingo License Processing (Days)" was dictated by the TABC-established definition and reporting structure for this measure.

Finding

Lottery Commission

The Texas Lottery Commission did further define this and related performance measures for fiscal years 1996 and 1997. We believe with these new definitions a more accurate reporting mechanism will occur for this biennium. Management will continue to improve the controls over the performance measurement process. Management appreciates the assistance provided by the State Auditor's Office during this review.

Audit Follow-Up Response:

The Commission calculated the results for "Average Bingo License Processing Time (Days)" using the application receipt date in some cases and the computer set-up date in other cases. Neither the TABC definition referred to in the response nor the ABEST II definition allows the calculation to be made in this manner. Audit procedures included testing compliance with both of the definitions. The results were inaccurate regardless of the definition used. The fiscal year 1996 and 1997 results will continue to be inaccurate until the calculation methodology is corrected and consistent with the definition.

Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 456 Board of Plumbing Examiners									
A.1.1	Number of New Licenses Issued to Individuals	Output	214 (First Quarter 1996)		*				Supervisory review of performance data was not performed.
A.1.1	Total Number of Individuals Licensed	Output	20,209		*				Supervisory review of performance data was not performed.
A.1.1	Number of Individuals Examined	Output	1,577	*					
A.1.2	Number of Job Sites Monitored	Output	739 (First Quarter 1996)		*				Supervisory review of performance data was not performed.
A.1.2	Number of Investigations Conducted	Output	20 (First Quarter 1996)				*		Reported results were overstated by two cases. Supervisory review of performance data was not performed.
A.1.2	Average Cost per Complaint Resolved	Efficiency	\$84.38 (First Quarter 1996)			*			Documentation was not available to recalculate the measure. The measure definition was not followed when calculating performance results.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

² Results are reported for FY 1995 unless otherwise indicated. All numbers are from ABEST II - Automated Budget and Evaluation System of Texas.

Source Documentation Was Insufficient to Support

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N/A	- Not Applicable

Finding

Board of Plumbing Examiners

Reported Results and the Measure Definition Was Not Followed

Performance Measure:

Average Cost Per Complaint Resolved

Factors prevented certification for the above measure because source documentation was insufficient to determine the number of complaints resolved. The database used to track complaints could not produce adequate documentation to support the actual number of closed cases. Without this documentation, the accuracy of the

performance results could not be verified.

Additionally, an estimate of the total funds expended and encumbered was used in the performance calculation. The measure definition does not allow estimates to be used in the performance calculation.

Recommendation:

The Board should continue efforts to improve the accuracy of database information. The information should support the performance results submitted to the Legislative Budget Board (LBB). Additionally, the Board should consult with the LBB to determine if estimates should be used for this measure. The measure definition should include the approved calculation methodology.

Management's Response:

The Texas State Board of Plumbing Examiners, through programming support from the Department of Information Resources, has corrected the errors in the database and reports generated to track complaints received by the Board. The first and second quarter figures will be corrected based upon the corrected reports and the new system will generate the reports for the 3rd Quarter Performance Report. To verify that the 3rd Quarter Performance Report is accurate we will agree each complaint reported to the completed complaint documentation on file for the 3rd Quarter. The error in the automated report was

discovered by the Board prior to the audit engagement, but the programming corrections had not been completed prior to completion of the audit fieldwork. However, we appreciated the time and effort expended by the auditors to verify the problem.

The Board has determined that tracking expenses and time spent on complaints would not be cost efficient nor an effective use of our limited staff time. We will change the definition for the "Average Cost Per Complaint Resolved" to describe the current process used to calculate it. Additionally, we will discuss this issue with the Legislative Budget Board to ensure they are satisfied with our process.

Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 473 Public Utility Commission of Texas									
A.1.1	Number of Docketed Non-Rate and Non- CCN Cases Completed	Output	36 (First Quarter 1996)				*		Inconsistencies exist between the calculation method used by the Commission and the calculation method included in the measure definition.
A.1.1	Number of Docketed Cases Reviewed by Staff During the Period	Output	314 (First Quarter 1996)				*		Inconsistencies exist between the calculation method used by the Commission and the calculation method included in the measure definition.
B.1.1	Number of Rules Adopted or Amended Relating to Competition Issues	Output	0 (First Quarter 1996)				*		Inconsistencies exist between the calculation method used by the Commission and the calculation method included in the measure definition.
A.1.3	Number of Consumer Complaints Concluded	Output	1,958 (First Quarter 1996)				*		Inconsistencies exist between the calculation method used by the Commission and the calculation method included in the measure definition.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Results of Performance Measures Review

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Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 473 Public Utility Commission of Texas									
A.1.3	Average Number of Days to Conclude Consumer Complaints	Efficiency	39 (First Quarter 1996)				*		Inconsistencies exist between the calculation method used by the Commission and the calculation method included in the measure definition.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Results of Performance Measures Review

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Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 477 <i>Advisory Commission on State Emergency Communications</i>									
A.	Number of Counties With Functioning 9-1-1 Systems at Automatic Number Identification (ANI) Level of Service	Outcome	252		*				Supervisory reviews of performance results were not performed.
A.	Number of Counties With Functioning 9-1-1 Systems at Automatic Location Identification (ALI) Level of Service	Outcome	202				*		Original summary documents were not maintained. Other documents indicate that the performance result should have been 173 counties.
A.1.1	Dollar Amount of Service Fees and Equalization Surcharge Annually Allocated to 9-1-1 System Implementation	Output	\$4,412,463 (First Quarter 1996)				*		Some Councils of Government did not submit expenditure data as required. Additionally, 9-1-1 District information was incorrectly excluded from the calculation. If the correct data had been included in the calculation, the performance result would have been \$5,348,692.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Results of Performance Measures Review

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Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 477 Advisory Commission on State Emergency Communications									
A.1.1	Dollar Amount of Service Fees, Equalization Surcharge and Other Sources of Funds Annually Allocated to County Addressing Projects	Output	\$594,247 (First Quarter 1996)				*		Some Councils of Government did not submit expenditure data as required. Additionally, 9-1-1 District information was incorrectly excluded from the calculation. If the correct data had been included in the calculation, the performance result would have been \$655,812.
A.1.1	Percent of Equalization Surcharge Funds Expended for ACSEC Administration of Agency 9-1-1 Program Responsibilities	Efficiency	15% (First Quarter 1996)				*		Performance data for November 1995 was incorrectly excluded from the measure calculation.
B.	Total Number of Poison Control Calls Processed Statewide	Outcome	301,000			*			Source documentation was incomplete.
B.1.1	Percent of Poison Surcharge Funds Expended for ACSEC and TDH Administration of Agency Poison Program Responsibilities	Efficiency	3% (First Quarter 1996)				*		Performance data for November 1995 and Texas Department of Health administration expenditures were incorrectly excluded from the measure calculation.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Finding

Advisory Commission on State Emergency Communications

Source Documentation Was Incomplete

Key Performance Measure:

- Total Number of Poison Control Calls Processed Statewide

Factors prevented certification of the above performance measure because the source documentation did not include all required information. Local telephone calls received by four poison control centers and local 9-1-1 calls transferred to one poison control center were excluded from the source documentation. As a result, the reported performance results could not be verified.

Recommendation:

The Commission should ensure that all required source documentation for performance results is maintained.

Management's Response:

The state's poison control program was established in 1993 as a result of SB 773. Since then, the Advisory Commission on State Emergency Communications (ACSEC), along with the Texas Department of Health, has been implementing the program, to include, among other things, the deployment of the communications infrastructure necessary to comply with the law, and allow the six (6) poison control centers involved to fully serve the entire state. Coincidentally, this infrastructure will automatically and consistently provide information and reports necessary to monitor performance under this measure. During the initial phases of the program, this information was generated by hand, and did not always include all the data necessary to accurately report measure performance. ACSEC agrees with the above recommendation.

Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 580 Texas Water Development Board									
A.2.3	Number of Water Conservation Technical Assistance Activities Conducted by TWDB Staff	Output	132 (First Quarter 1996)	*					
A.1.2	Number of Communities and Other Entities for Which Water-related Facility Needs are Identified During the Biennium	Output	43 (First Quarter 1996)	*					

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 582 Texas Natural Resource Conservation Commission									
A.1.5	Number of Petroleum Storage Tank Construction Inspections	Output	2,689		*				Written procedures for performance calculations did not exist. Also, a supervisory review was not performed to ensure accurate data entry into the ABEST II database.
A.1.5	Percent of New Tank Installations and/or Upgrades Inspected	Output	6%			*			The measure definition was not followed. Also, a supervisory review was not performed to ensure accurate data entry into ABEST II database.
A.2.2	Percent of New Tank Installations and/or Upgrades Inspected	Output	2% (First Quarter 1996)			*			The measure definition was not followed. Also, a supervisory review was not performed to ensure accurate data entry into ABEST II database.
A.2.1	Number of Superfund Investigations in Progress	Output	51 (First Quarter 1996)				*		Summary documentation did not support the number reported. Also, a supervisory review was not performed to ensure accurate data entry into ABEST II database.

Sources:

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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 582 Texas Natural Resource Conservation Commission									
A.2	Percent of Contaminated Solid Waste Sites Implementing Appropriate Remedial Activities	Outcome	24%		*				Written procedures for performance calculations did not exist. Also, a supervisory review was not performed to ensure accurate data entry into the ABEST II database.
C.1	Percent of Identified Non-Compliant Facilities For Which Appropriate Legal Action is Taken by the End of Fiscal Year 1999	Outcome	43%				*		Mathematical errors were made during the measure calculation. Also, a supervisory review was not performed to ensure accurate data entry into ABEST II database.
B.1.1	Number of Inspections of Wastewater Facilities	Output	2,760		*				A supervisory review was not performed to ensure accurate data entry into ABEST II database.
A.1.2	Number of Grants Awarded for Recycling of Used Oil	Output	0 (First Quarter 1996)		*				Written procedures for performance calculations did not exist. Also, a supervisory review was not performed to ensure accurate data entry into ABEST II database.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).
² Results are reported for FY 1995 unless otherwise indicated. All numbers are from ABEST II - Automated Budget and Evaluation System of Texas.

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Finding

Texas Natural Resource Conservation Commission

The Measure Definition Was Not Followed

Key Performance Measures:

- Percent of New Tank Installations and/or Upgrades Inspected

Factors prevented certification of the above performance measure because the performance calculation incorrectly included the notification of the *intent* to install or upgrade tanks. The measure definition requires including only the total number of tank installations and upgrades reported by a regulated entity. Some tanks included in the performance results were not installed during the reporting period.

Recommendation:

The Commission should implement procedures to ensure that measure definitions are followed when calculating performance results.

Management's Response:

The Texas Natural Resource Conservation Commission (TNRCC) has, consistent with agency regulations, reported the measure "Percent of New Tank Installations and/or Upgrades Inspected" based on the notification by regulated entities of the intent to install or upgrade a tank. The reporting of intent for an installation or upgrade is used to track agency performance. Using this definition, the TNRCC has correctly calculated this measure. The TNRCC is working with the Governor's Office of Budget and Planning and the Legislative Budget Board to revise the definition for this measure for the coming biennium to more clearly describe what is counted and reported in the measure.

Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 694 Texas Youth Commission									
A.1	Arrests Prevented Through Custody in Primary Care	Outcome	11,799.96	*					
A.1.1	Capacity Cost in Primary Care per Youth Day	Efficiency	\$73.66	*					
C.1.1	Basic Treatment Cost per Youth Day	Efficiency	\$8.17	*					

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 694 Texas Youth Commission									
C.1.1	Rearrest Rate	Outcome	57.11%		*				Audit testing indicated accurate performance reporting by the Texas Youth Commission. However, the measure calculation relies in part on arrest information received from the Department of Public Safety (DPS). Previous audit results (SAO Report # 94-136) indicated that arrest information for two measures at DPS was unreliable. In addition, the Criminal Justice Information System (CJIS) has control weaknesses that effect data quality (SAO Report # 96-058). The continued accuracy of reported performance will depend on accurate arrest information received from the CJIS.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).
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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 694 Texas Youth Commission									
C.1	Rearrest Severity Rate	Outcome	29.11%		*				Audit testing indicated accurate performance reporting by the Texas Youth Commission. However, the measure calculation relies in part on arrest information received from the Department of Public Safety (DPS). Previous audit results (SAO Report # 94-136) indicated that arrest information for two measures at DPS was unreliable. In addition, the Criminal Justice Information System (CJIS) has control weaknesses that effect data quality (SAO Report # 96-058). The continued accuracy of reported performance will depend on accurate arrest information received from the CJIS.

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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 694 Texas Youth Commission									
A.1.1	Average Daily Population: Primary Care	Output	2,632.83	*					
C.1.1	Average Daily Population: Aftercare	Output	1,452.68	*					

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 694 Texas Youth Commission									
C.1.2	Average Daily Population: Specialized Treatment	Output	717.33	*					
C.1.2	Specialized Treatment Cost per Youth Day	Efficiency	\$14.73	*					

Sources:

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Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 701 Texas Education Agency									
A.1	Percent of Equalized Revenue in the Foundation School Program	Outcome	97.6%	*					
A.1	Percent of Hispanic Students Passing All Tests Taken	Outcome	45.5%	*					
A.1	Percent of Students Who Drop Out of School Annually	Outcome	2.6%				*		Drop-out data reported by the school districts was incorrect. Additionally, the agency does not have adequate controls to prevent or detect school district errors.
A.1.1	State Aid per Pupil	Efficiency	\$2,275	*					
A.3.3	School Districts Receiving Onsite Peer Reviews for Accreditation Ratings	Output	160				*		The measure definition was not followed. Public hearings and Educational Service Center visits were incorrectly included in the performance calculation.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).
² Results are reported for FY 1995 unless otherwise indicated. All numbers are from ABEST II - Automated Budget and Evaluation System of Texas.

*Key for Certification Results	
C	- Certified
CQ	- Certified with Qualifications
FPC	- Factors Prevented Certification
I	- Inaccurate
N/A	- Not Applicable

Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 701 Texas Education Agency									
A.2.1	Teacher Certificates Issued by TEA Staff	Output	33,210	*					
A.2.1	Teachers Certified Through Alternative Certification Programs	Output	2,127	*					
A.3.3	School Districts Receiving State Intervention Strategies	Output	21				*		The measure definition was not followed. The definition required a cumulative calculation between fiscal year quarters. A non-cumulative calculation was made by the agency.
A.4.1	Average Number of School Lunches Served Daily	Output	1,993,401	*					

Results of Performance Measures Review

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

² Results are reported for FY 1995 unless otherwise indicated. All numbers are from ABEST II - Automated Budget and Evaluation System of Texas.

*Key for Certification Results	
C	- Certified
CQ	- Certified with Qualifications
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I	- Inaccurate
N/A	- Not Applicable

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 719 Texas State Technical College - System Administration									
A.	Percent of Students Graduated Within Three years	Outcome	52.4%		*				Access controls were inadequate to prevent unauthorized changes to student information. Data input is not routinely reconciled to data output.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

² Results are reported for FY 1995 unless otherwise indicated. All numbers are from ABEST II - Automated Budget and Evaluation System of Texas.

*Key for Certification Results	
C	- Certified
CQ	- Certified with Qualifications
FPC	- Factors Prevented Certification
I	- Inaccurate
N/A	- Not Applicable

Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 719 Texas State Technical College - Harlingen Campus									
A.	Percent of Students Graduated with an AAS Degree Within Three Years	Outcome	16.4%		*				Access controls were inadequate to prevent unauthorized changes to student information. Data input is not routinely reconciled to data output.
A.	Percent of Vocation/Technical Students Graduated Within Three Years	Outcome	33.4%		*				Access controls were inadequate to prevent unauthorized changes to student information. Data input is not routinely reconciled to data output.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

² Results are reported for FY 1995 unless otherwise indicated. All numbers are from ABEST II - Automated Budget and Evaluation System of Texas.

*Key for Certification Results	
C	- Certified
CQ	- Certified with Qualifications
FPC	- Factors Prevented Certification
I	- Inaccurate
N/A	- Not Applicable

Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 719 Texas State Technical College - Sweetwater Campus									
A.	Percent of Students Graduated with an AAS Degree Within Three Years	Outcome	19.2%		★				Access controls were inadequate to prevent unauthorized changes to student information. Data input is not routinely reconciled to data output.
A.	Percent of Vocation/Technical Students Graduated Within Three Years	Outcome	44%		★				Access controls were inadequate to prevent unauthorized changes to student information. Data input is not routinely reconciled to data output.

Sources:

¹ General Appropriations Act, 73rd Legislature, R.S. (1993) or 74th Legislature, R.S. (1995).

² Results are reported for FY 1995 unless otherwise indicated. All numbers are from ABEST II - Automated Budget and Evaluation System of Texas.

*Key for Certification Results	
C	- Certified
CQ	- Certified with Qualifications
FPC	- Factors Prevented Certification
I	- Inaccurate
N/A	- Not Applicable

Results of Performance Measures Review

Related Objective or Strategy ¹	Description of Measure ¹	How Classified	Results Reported ²	Certification Results*					Comments
				C	CQ	FPC	I	N/A	
Agency # 719 Texas State Technical College - Waco Campus									
A.	Percent of Students Graduated with an AAS Degree Within Three Years	Outcome	30.7%		*				Access controls were inadequate to prevent unauthorized changes to student information. Data input is not routinely reconciled to data output.
A.	Percent of Vocation/Technical Students Graduated Within Three Years	Outcome	21.1%		*				Access controls were inadequate to prevent unauthorized changes to student information. Data input is not routinely reconciled to data output.

Sources:¹ General Appropriations Act, 73rd Legislature, R.S. (1993).
² Results are reported for FY 1995 unless otherwise indicated.
 All numbers are from ABEST II - Automated Budget and Evaluation System of Texas.

*Key for Certification Results	
C	- Certified
CQ	- Certified with Qualifications
FPC	- Factors Prevented Certification
I	- Inaccurate
N/A	- Not Applicable

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Follow-Up Results of Previous Audits

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Follow-Up Results of Previous Audits

Related Objective or Strategy ¹	Description of Measure ¹	Previous Audit Report Date	Control System Weaknesses Identified During Previous Audit	Control System Improvements Made
Agency # 302 Office of the Attorney General				
E.1.1	Number of Bills Paid (This refers to Workers' Compensation bills paid.)	March 1994	There was a typographical error in the information that was reported to the Legislative Budget Board.	Standardized data processing procedures were implemented. Supervisory reviews are performed on a monthly basis.

Related Objective or Strategy ¹	Description of Measure ¹	Previous Audit Report Date	Control System Weaknesses Identified During Previous Audit	Control System Improvements Made
Agency # 303 General Services Commission				
A.2.1	Utility costs per Square Foot	February 1996	Loan payments for capital expenditures were included with utility costs when calculating the result.	Loan payments are correctly excluded from the performance calculation.

Sources:

¹General Appropriations Act, 73rd Legislature, R.S. (1993).

Follow-Up Results of Previous Audits

Related Objective or Strategy ¹	Description of Measure ¹	Previous Audit Report Date	Control System Weaknesses Identified During Previous Audit	Control System Improvements Made
Agency # 303 General Services Commission				
A.2.1	Cost per Square Foot of All Building Activities (Except Utilities)	February 1996	The amount reported included grounds and janitorial maintenance costs that the measure explicitly excludes.	Janitorial and maintenance costs are correctly excluded from the performance calculation.

Sources:

¹General Appropriations Act, 73rd Legislature, R.S. (1993).

Follow-Up Results of Previous Audits

Related Objective or Strategy ¹	Description of Measure ¹	Previous Audit Report Date	Control System Weaknesses Identified During Previous Audit	Control System Improvements Made
Agency # 324 Department of Human Services				
B.1.2	Number of AFDC-Up Recipients per Month	February 1995	Our testing supported the performance reported, however, we added a qualification because controls over the calculation of the performance were weak.	Controls were strengthened by conducting a supervisory review of the performance calculation.

Sources:

¹General Appropriations Act, 73rd Legislature, R.S. (1993).

Follow-Up Results of Previous Audits

Related Objective or Strategy ¹	Description of Measure ¹	Previous Audit Report Date	Control System Weaknesses Identified During Previous Audit	Control System Improvements Made
Agency # 473 Public Utility Commission				
A.1	Average Cost of Electricity per Kilowatt Hour in Texas for Residential Customers as a Percentage of the National Average	August 1994	Calculation of the measure was based on the data for one month (May).	Calculation method correctly includes annual data.
B.1.1	Number of Utility Resource Plans Reviewed	August 1994	Measure calculation included incomplete reviews since the calculation was based on "majority of time" concept.	Only completed reviews are included in the performance calculation.
B.1.1	Average Cost per Utility Resource Plan Reviewed	August 1994	The second measure above caused this measure to be inaccurate.	A database is used to track the project hours charged by each employee.
D.1	Combined Market Share of Three Largest Inter-Exchange Carriers in Inter-Exchange Long Distance Markets	August 1994	Data used for this measure calculation is not current since it is provided by the inter-exchange utility carriers every two years.	The Commission is considering reclassifying the performance measure.
E.1.1	Average Number of Days to Complete Docketed Electric Rate Cases	August 1994	The measure definition included all telephone and electric cases. Abated telephone cases were excluded from the calculation.	The measure definition has been changed to include only electric cases.

Sources:

¹General Appropriations Act, 73rd Legislature, R.S. (1993).

Follow-Up Results of Previous Audits

Related Objective or Strategy ¹	Description of Measure ¹	Previous Audit Report Date	Control System Weaknesses Identified During Previous Audit	Control System Improvements Made
Agency # 580 Texas Water Development Board				
A.1.2	Number of Water Users for which Recommended Long-Term Water Supply Sources are Identified During the Biennium	March 1994	The Board maintained accurate records of the performance for this measure; however, a significant clerical error was made submitting the data to ABEST II.	Division supervisors review the data after input into ABEST II to reduce the possibility of clerical errors.
A.2	Percent of Texas Communities Receiving Technical and Financial Assistance for Water-Related Conservation and for Planning	March 1994	Assistance to entities other than Texas communities was counted. There is a possibility for double counting of the communities.	Unique facility/identifier numbers were assigned to all Texas communities. Only the unique facility numbers are used in the measure calculation to reduce the possibility of double-counting communities.
A.2	Percent of Texas Communities Requesting Regional Planning Grants that Receive Financial Assistance from the Board	March 1994	The measure was over-reported. There was no real tracking system in place for this measure in fiscal year 1993. However, Board staff are tracking the data more systematically for fiscal year 1994.	A Paradox database is used to track the applications. The database information is sorted and used to calculate the measure results to reduce the possibility of over-reporting.
A.2.1	Number of Regional Water Supply, Waste Water, Flood, and Research Studies Assisted by Grants from the Research and Planning Fund in Progress	March 1994	This measure was under reported due to miscounting by the agency.	A Paradox database is used to track the applications. The database information is sorted and used to calculate the measure results to reduce the possibility of over-reporting to reduce the possibility of under-reporting.
B.1	Percent of Texas Communities Constructing Needed Water and Waste Water Related Infrastructure which Received Financial Assistance from the TWDB	March 1994	The Board is having difficulties obtaining accurate information to calculate this measure.	The Board is using a weekly report titled "The Bond Reporter" to track communities that have been financed to build water and waste water related infrastructures.

Sources:

¹General Appropriations Act, 73rd Legislature, R.S. (1993).

Follow-Up Results of Previous Audits

Related Objective or Strategy ¹	Description of Measure ¹	Previous Audit Report Date	Control System Weaknesses Identified During Previous Audit	Control System Improvements Made
Agency # 582 Texas Natural Resource Conservation Commission				
A.2	Percent of Petroleum Storage Tanks in Compliance with Environmental Protection Agency Standards	February 1995	The Commission deleted the FY 93 information from their database.	Controls over data entry were improved by implementing a review function at the central office.
A.2.3	Number of Illegal Municipal Solid Waste Sites Remediated	February 1995	The Commission did not update the information in ABEST II for an additional inspection report.	Controls were strengthened to ensure all inspection reports are included in the ABEST II information.

Sources:

¹General Appropriations Act, 73rd Legislature, R.S. (1993).

Follow-Up Results of Previous Audits

Related Objective or Strategy ¹	Description of Measure ¹	Previous Audit Report Date	Control System Weaknesses Identified During Previous Audit	Control System Improvements Made
Agency # 582 Texas Natural Resource Conservation Commission				
B.2.4	Number of Public Water Supply Systems Laboratory Analyses Reviewed	February 1995	Calculation error resulted in the measure being over reported by seven percent.	Controls over calculations were strengthened by improving the electronic spreadsheet and providing supervisory review.
B.2.4	Number of Public Water Supply System Compliance Determinations	February 1995	Calculation error resulted in the measure being under reported by 15 percent.	Controls over calculations were strengthened by improving the electronic spreadsheet and providing supervisory review.
C.1.1	Percent of Inspections Conducted Resulting in a Finding of Noncompliance	February 1995	Weak controls over summary documents at the central office resulted in the measure being under reported by 21 percent.	Controls over data entry were improved by implementing a review function at the central office.

Sources:

¹General Appropriations Act, 73rd Legislature, R.S. (1993).

Follow-Up Results of Previous Audits

Related Objective or Strategy ¹	Description of Measure ¹	Previous Audit Report Date	Control System Weaknesses Identified During Previous Audit	Control System Improvements Made
Agency # 694 Texas Youth Commission				
A.1.1	Average Daily Population: Primary Care	February 1995	Controls over the Commission's Child Care Information System (CCIS) were insufficient to provide assurance that data input was accurate.	The Commission has developed a process to ensure the reliability of data in the CCIS. Transaction and status reports are verified by supervisors in field offices. Samples of transaction reports have been reviewed by the Research and Planning Division and the Internal Audit Department.
C.1.1	Average Daily Population: Aftercare	February 1995	Controls over the Commission's Child Care Information System (CCIS) were insufficient to provide assurance that data input was accurate.	The Commission has developed a process to ensure the reliability of data in the CCIS. Transaction and status reports are verified by supervisors in field offices. Samples of transaction reports have been reviewed by the Research and Planning Division and the Internal Audit Department.
C.1.2	Average Daily Population: Specialized Treatment	February 1995	Controls over the Commission's Child Care Information System (CCIS) were insufficient to provide assurance that data input was accurate.	The Commission has developed a process to ensure the reliability of data in the CCIS. Transaction and status reports are verified by supervisors in field offices. Samples of transaction reports have been reviewed by the Research and Planning Division and the Internal Audit Department.

Sources:

¹General Appropriations Act, 73rd Legislature, R.S. (1993).

Follow-Up Results of Previous Audits

Related Objective or Strategy ¹	Description of Measure ¹	Previous Audit Report Date	Control System Weaknesses Identified During Previous Audit	Control System Improvements Made
Agency # 701 Texas Education Agency				
A.1	Annual Statewide Dropout Rate for the Subgroup with the Highest Rate	February 1995	The new accountability system used to report this measure did not conform to the measure definition agreed upon with the Legislative Budget Board. The measure was recalculated using the correct definition, but not in time to be certified as accurate during the course of our audit.	The methodology is in compliance with the measure definition. However, the dropout data was inaccurate.
A.1.1	Percent of Operating Funds Spent on Instruction	February 1995	Source documents obtained from the school districts did not support the number reported. Controls over the accuracy of data reported appeared to be insufficient.	No significant control system improvements were made.
A.1.1	Students Served by Compensatory Education Programs and Services	February 1995	The method of calculation did not conform to the definition agreed upon with the Legislative Budget Board. The agency reported the average number of students served rather than the total number of students served.	The measure definition was changed to conform with the calculation method. The total number of students served is self-reported by the school districts.
A.1.1	Students Served by Vocational Education Courses	January 1995	Source documents obtained from the school districts did not support the number reported. Controls over the accuracy of data reported appeared to be insufficient.	No significant control system improvements were made.

Sources:

¹General Appropriations Act, 73rd Legislature, R.S. (1993).

Follow-Up Results of Previous Audits

Related Objective or Strategy ¹	Description of Measure ¹	Previous Audit Report Date	Control System Weaknesses Identified During Previous Audit	Control System Improvements Made
Agency # 701 Texas Education Agency				
A.1.3	Students Served in Summer School Programs for LEP	February 1995	Source documents obtained from the school districts did not support the number reported. Controls over the accuracy of data reported appeared to be insufficient.	A monitoring system for the school districts was implemented.

Sources:

¹General Appropriations Act, 73rd Legislature, R.S. (1993).

Appendices

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Objectives, Scope, and Methodology

Objectives

The objectives of this audit were:

1. To determine whether selected state entities are accurately reporting their key performance measures to the Automated Budget and Evaluation System of Texas (ABEST) II database.
2. To determine whether the selected state entities have adequate control systems in place over the collection and reporting of their performance measures.
3. To determine whether the selected state entities have corrected deficiencies identified during Performance Measure Certification Audits, Phases I-VIII.
4. To provide assistance to selected agencies that have had recurring problems in controlling and reporting performance measure data.

Scope

Certain key measures were reviewed at 20 agencies and one educational institution. Performance measure results reported by state entities were reviewed to determine whether they were accurate. A review of controls over the submission of data used in reporting performance measures was also conducted. Our scope included tracing performance information back to the original source.

Methodology

Performance measures were certified using the following procedures:

- State entities were chosen in conjunction with the Legislative Budget Board (LBB), based on risk factors identified by the LBB.
- Measures were selected from the population of key performance measures in the ABEST II database. ABEST II data was selected because it is relied upon by state decisionmakers.
- Calculations were reviewed for accuracy and to ensure that these calculations were consistent with the methodology agreed upon by the entity and the LBB.
- The flow of data was analyzed to evaluate whether proper controls were in place.
- Testing of a sample of source documents was conducted to verify the accuracy of reported performance.
- Follow-up procedures to determine improvements were conducted on measures that had control weaknesses identified during prior audits.

Objectives, Scope, and Methodology

Performance measure results were reported in one of four categories: 1) Certified, 2) Certified with Qualification, 3) Factors Prevented Certification, or 4) Inaccurate.

The LBB requested that findings be written for any measures categorized as “Factors Prevented Certification.” The findings give more detail than the comments in the matrix and provide the entities with the opportunity to communicate how the problems will be addressed.

Other Information

Audit fieldwork was conducted from March through July 1996. 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:

- Clint Loeser, CPA (Project Manager)
- Donna Todd, (Asst. Project Manager)
- Duane McNaney, CPA (Quality Control Reviewer)
- Curtis Caraway
- Rachel Carmona
- Eric Emmerich
- Victoria Harris
- Judith Hatton, CISA
- Bronte Jones
- Barbette Mays
- Roberto Montealegre
- Kyleen Piejko, CPA
- Deborah D. Powers, CPA
- Monday Rufus, CPA
- Abderrahim Taji, MBA
- Larry Turner
- Thomas Wise
- Sin-Leng Wong, CPA
- Barbara S. Hankins, CPA (Audit Manager)
- Deborah L. Kerr, Ph.D. (Director)

Background Information

Background Information

The 21 entities audited have diverse mission statements that encompass general government, health and human services, education, public safety and criminal justice, natural resources, business and economic development, and regulation. The 21 entities are:

- Supreme Court
- Court of Criminal Appeals
- Office of Court Administration
- State Commission on Judicial Conduct
- Office of the Attorney General
- General Services Commission
- Office of the Secretary of State
- Department of Information Services
- Teacher Retirement System
- Employees Retirement System
- Department of Human Services

- Board of Tax Professional Examiners
- Texas Lottery Commission
- Board of Plumbing Examiners
- Public Utility Commission of Texas
- Advisory Commission on State Emergency Communications
- Texas Water Development Board
- Texas Natural Resource Conservation Commission
- Texas Youth Commission
- Texas Education Agency
- Texas State Technical College

Legislative responsibilities include the certification of the accuracy of information reported by state entities to the Legislative Budget Board. Government Code, § 2101.038 requires the State Auditor's Office to certify performance measures.

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