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An Audit Report on

# **Performance Measures at the Structural Pest Control Service**

October 2008

Report No. 09-007

## *Performance Measures at the Structural Pest Control Service*

### *Overall Conclusion*

The Structural Pest Control Service (Service) at the Department of Agriculture reported unreliable results for six of seven (86 percent) performance measures tested for the first three quarters of fiscal year 2008. A performance measure is considered reliable if it is certified or certified with qualification.

Specifically:

- Factors prevented certification of three key measures—Number of New Licenses Issued to Individuals, Number of Licenses Renewed (Individuals), and Average Licensing Cost per Individual License Issued. These measures could not be certified because weaknesses in the Service's collection and calculation of these performance measures prevented auditors from determining the correct performance measure results.
- Reported results for three key measures—Number of Complaints Resolved, Number of School Inspections Performed, and Average Time for Complaint Resolution (Days)—were inaccurate because the actual performance differed from reported performance by more than 5 percent or auditor testing of documentation identified more than a 5 percent error rate.
- One key measure—Number of Inspections Performed—was certified with qualification because the reported performance was accurate but controls over data collection and reporting are not adequate to ensure continued accuracy.

The Service has strong Automated Budget and Evaluation System of Texas (ABEST) review controls and sufficient segregation of duties in place for the review of performance measure calculations and the data entry of the results into ABEST. Reviews were dated, signed, and documented for all performance measures tested.

Table 1 on the next page summarizes the certification results of the seven performance measures tested.

#### Background

Agencies report results for their key measures to the Legislative Budget Board's budget and evaluation system, which is called the Automated Budget and Evaluation System of Texas, or ABEST.

#### House Bill 2458 (80th Legislature) (effective September 1, 2007)

House Bill 2458 abolished the Structural Pest Control Board and transferred the Board's functions to the Department of Agriculture effective September 1, 2007. Specifically, House Bill 2458:

- Created and set time frames for appointing members to the Structural Pest Control Advisory Committee.
- Set time frames for the transfer of obligations, property, full-time equivalent positions, rights, powers, and duties from the Structural Pest Control Board to the Department of Agriculture.

Table 1

Structural Pest Control Service				
Related Objective or Strategy, Classification	Description of Measure	Fiscal Year	Results Reported in ABEST	Certification Results <sup>a</sup>
B.1.4.3 (Output)	Number of New Licenses Issued to Individuals	2008 - 1st quarter	1,090	Factors Prevented Certification
		2008 - 2nd quarter	816	
		2008 - 3rd quarter	1,086	
		2008 - Year to date <sup>b</sup>	2,992	
B.1.4.4 (Output)	Number of Licenses Renewed (Individuals)	2008 - 1st quarter	2,201	Factors Prevented Certification
		2008 - 2nd quarter	3,481	
		2008 - 3rd quarter	3,114	
		2008 - Year to date <sup>b</sup>	8,796	
B.1.4.1 (Efficiency)	Average Licensing Cost per Individual License Issued	2008 - 1st quarter	\$ 6.55	Factors Prevented Certification
		2008 - 2nd quarter	\$ 9.86	
		2008 - 3rd quarter	\$11.11	
		2008 - Year to date <sup>b</sup>	\$11.11	
B.1.4.1 (Output)	Number of Complaints Resolved	2008 - 1st quarter	35	Inaccurate
		2008 - 2nd quarter	65	
		2008 - 3rd quarter	42	
		2008 - Year to date <sup>b</sup>	142	
B.1.4.6 (Efficiency)	Average Time for Complaint Resolution (Days)	2008 - 1st quarter	314	Inaccurate
		2008 - 2nd quarter	416	
		2008 - 3rd quarter	268	
		2008 - Year to date <sup>b</sup>	373	
B.1.4.8 (Output)	Number of Inspections Performed	2008 - 1st quarter	251	Certified with Qualification
		2008 - 2nd quarter	341	
		2008 - 3rd quarter	457	
		2008 - Year to date <sup>b</sup>	1,049	
B.1.4.11 (Output)	Number of School Inspections Performed	2008 - 1st quarter	33	Inaccurate
		2008 - 2nd quarter	60	
		2008 - 3rd quarter	86	
		2008 - Year to date <sup>b</sup>	179	

<sup>a</sup> A measure is **Certified** if reported performance is accurate within plus or minus 5 percent of actual performance and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.

A measure is **Certified With Qualification** when reported performance appears accurate but the controls over data collection and reporting are not adequate to ensure continued accuracy. A measure is also certified with qualification when controls are strong but source documentation is unavailable for testing. A measure is also certified with qualification if agency calculation of performance deviated from the measure definition but caused less than a 5 percent difference between the number reported to ABEST and the correct performance measure result.

A measure is **Inaccurate** when the actual performance is not within 5 percent of reported performance, or when there is more than a 5 percent error in the sample of documentation tested. A measure is also inaccurate if the agency's calculation deviated from the measure definition and caused more than a 5 percent difference between the number reported to ABEST and the correct performance measure result.

A **Factors Prevented Certification** designation is used if documentation is unavailable and controls are not adequate to ensure accuracy. This designation also will be used when there is a deviation from the measure definition and the auditor cannot determine the correct performance measure result.

<sup>b</sup> Reported results from September 1, 2007, through May 31, 2008.

## ***Summary of Management's Response***

The Service at the Department of Agriculture agreed with the recommendations in this report.

## ***Summary of Information Technology Review***

Auditors assessed the information technology (IT) controls for the Service's Structural Pest Control Service system (SPCS system), which is used for collecting and calculating performance measures data. Auditors evaluated general IT controls such as logical access, program changes, physical security, and disaster recovery. Auditors also evaluated application controls such as input controls, process controls, and output controls.

The Service has general IT controls in place to ensure the integrity of data used for performance measures. However, application controls are not in place over the SPCS system to ensure the integrity of data used for performance measures. Application controls include data input, processing, and output controls. To minimize security risks, auditors communicated details about these issues directly to the Service's management.

### **SPCS System**

The SPCS system was moved from the Structural Pest Control Board to the Department of Agriculture at the beginning of fiscal year 2008. The SPCS system tracks licensing information, monitors complaints and their disposition, and maintains inspection details. As of August 2008, the Department of Agriculture was in the process of integrating the SPCS system into its BRIDGE/PIER system. The Department of Agriculture's goal is to complete this integration by the end of calendar year 2008.

## ***Summary of Objectives, Scope, and Methodology***

The objectives of the audit were to determine whether the Service:

- Accurately reports selected key performance measures to ABEST.
- Has adequate control systems in place over the collecting, calculating, and reporting of selected key performance measures.

The audit scope included seven key output and efficiency performance measures the Service reported for the first three quarters of fiscal year 2008. Auditors also reviewed controls over the submission of data used in reporting performance measures and traced performance measure documentation to the original source when possible.

The audit methodology consisted of selecting seven key measures to audit, auditing reported results for accuracy and adherence to measure definitions, evaluating controls over the performance measures, certifying the performance measure process and related information systems, and conducting a high-level review of all information systems that support the performance measure data.

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# Detailed Results

Chapter 1

## ***The Service Reported Unreliable Results for Six of Seven Key Performance Measures Audited***

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The Structural Pest Control Service (Service) should develop and implement detailed policies and procedures for collecting and calculating its performance measures.

### **The Structural Pest Control Service**

The Structural Pest Control Service is responsible for licensing, regulating, and setting standards and criteria for structural pest control and pest management professionals in Texas, including:

- Pest control.
- Termite control.
- Lawn and ornamental pest control.
- Structural fumigation.
- Commodity fumigation.
- Weed control.
- Wood preservation.

For all key performance measures tested, the Service did not have detailed, written policies and procedures describing the collection and calculation of its performance measure data. The Service had written procedures in place for all seven key performance measures tested; however, the procedures lacked detailed information to ensure that performance measure results are collected and calculated accurately.

The Service used the Automated Budget and Evaluation System of Texas (ABEST) measure definitions as its policies and procedures for two key measures—Number of Inspections Performed and Number of School Inspections Performed. The ABEST measure definitions for these two measures do not include detailed information to ensure that performance measure results are collected and calculated accurately. In addition, procedures for one key measure—Average Licensing Cost per Individual License Issued—did not include all elements required by the measure’s definition in ABEST, causing the collection and calculation of this measure to be unreliable.

### **Recommendation**

The Service should develop detailed, written policies and procedures for the collection, calculation, and review of performance measures.

### **Management’s Response**

*Though written policies and procedures are currently in place, management agrees that improvements can be made. Increased detail and more step-by-step instruction will be added to the procedures that are currently in place.*

*Person responsible for implementing corrective action: Tim Speer, Chief Licensing Officer*

*Time line for implementation: November 30, 2008*

The Service has strong ABEST review controls.

The Service has strong controls over the input, processing, and review of performance measure results into ABEST. The Service has detailed, written procedures for compiling and reporting ABEST data, and there is segregation of duties among Service personnel regarding entering data into ABEST, reviewing this data, and releasing the data into ABEST. The Service maintains documentation—including dates and initials—of the person who enters data into ABEST, the person who reviews this data, and the person who releases the data into ABEST. In addition, the Service’s ABEST Coordinator received written certifications from each division head validating that the numbers reported to the ABEST Coordinator match the numbers each division had calculated.

Key Measures

### Number of New Licenses Issued to Individuals

**Results: Factors Prevented Certification**

Factors Prevented Certification of a measure when documentation was unavailable and controls were not adequate to ensure accuracy.

Factors prevented the certification of this measure because auditors could not determine how many licenses were issued during the first three quarters of fiscal year 2008. This is because the date officially listed as the date a license was issued can be before the applicant actually applied. The Service records the date that an apprentice is registered as the first day of the applicant’s employment. However, according to Service licensing procedures, an applicant has 10 days from the date of employment to submit an application for an apprentice license.

In addition, applicants are subject to a criminal background check by the Department of Public Safety, which extends the application approval process. Once the application is approved, the Service assigns a date to the registration that is the same as the date of hire listed on the application. As a result, the Service does not accurately calculate and report the number of new licenses issued during a specific reporting period. Because the Service’s current computer system overwrites the information in that system, the number reported by the Service could not be recalculated.

**Updated Measure Definition - Number of New Individual and Business Licenses Issued (effective fiscal year 2010)**

**Definition** - The number of new individual and business licenses issued to previously unlicensed individuals and businesses during the reporting period.

**Methodology** - This measure counts the total number of licenses issued to individuals and businesses during the reporting period, regardless of when the application was originally received. Only new licenses are counted.

The Service does not issue licenses to apprentices, but it records their registrations. New apprentice registrations are included in the calculation of this measure because the Service does not have a performance measure that specifically counts the number of registrations.

The Service has worked with the Legislative Budget Board to amend the measure definition to include business licenses beginning in fiscal year 2010 (see text box). The current measure definition does not include business licenses. Including business licenses in the performance measure calculation allows the Service to more

accurately report the total number of new licenses issued. However, the new measure definition does not address how the Service should determine the date an application for an apprentice registration is approved. It also requires the Service to base its calculations on the date issued field rather than the date processed field.

## Recommendations

The Service should:

- Determine how it should best capture this information to provide accurate data. This could include changing the methodology so that it no longer uses the first day of employment as the date of registration. The Service could also develop compensating controls to ensure the accuracy of this performance measure, such as maintaining a quarterly and year-to-date listing of all applications received and reconciling this list with the calculated number of licenses issued at the end of each quarter and year.
- Consider working with the Legislative Budget Board and the Governor's Office of Budget, Planning, and Policy to amend the measure definition and methodology to allow the Service to calculate this measure based on the date that a license is processed, instead of the date licensed field.

## Management's Response

*Management recognizes the inherent flaws in the current SPCS licensing system and agrees that improvements should be made. TDA will update the criterion used to select records so that registrations with conflicting issue dates and process dates are accurately included in the data set.*

*Person responsible for implementing corrective action: Tim Speer, Chief Licensing Officer*

*Time line for implementation: November 30, 2008*

## Number of Licenses Renewed (Individuals)

### Results: Factors Prevented Certification

Factors Prevented Certification of a measure when documentation was unavailable and controls were not adequate to ensure accuracy.

Factors prevented certification of this measure because the Service could not ensure the reliability of the data used to calculate this measure. The Service provided auditors documentation supporting the measure results it reported in ABEST. However, this supporting documentation does not match the license renewal data for the first three quarters of fiscal year 2008 in the Structural Pest Control Service system (SPCS system), which the Service uses to calculate the measure results. Because the SPCS system lacks adequate controls to ensure the integrity of data used to

collect, calculate, review, and report performance measure results, neither the Service nor auditors could verify whether the supporting documentation or SPCS system data was complete and accurate. In addition, auditors identified 252 duplicate individuals in the supporting documentation. However, these duplicate individuals do not account for all of the difference between the supporting documentation and SPCS system data.

The Department of Agriculture plans to integrate the SPCS system into its BRIDGE/PIER system by the end of calendar year 2008. In the meantime, the Service could use the renewal applications it receives online and through the mail to reconcile the data in the SPCS system.

### Recommendation

The Service should ensure that the data recorded in the SPCS system is accurate or, until the SPCS system is integrated into the BRIDGE/PIER system, consider maintaining a quarterly and/or year-to-date listing of all renewal applications received and reconciling this list with the data in the SPCS system.

### Management's Response

*TDA recognizes the inherent flaws in the SPCS licensing system and agrees that the method for capturing the number of licenses renewed during FY08 is in need of improvement. Management believes that this will be corrected with a more consistent query now being implemented.*

*Person responsible for implementing corrective action: Tim Speer, Chief Licensing Officer*

*Time line for implementation: November 30, 2008*

### Average Licensing Cost per Individual License Issued

**Results: Factors Prevented Certification**  
Factors Prevented Certification of a measure when documentation was unavailable and controls were not adequate to ensure accuracy.

Factors prevented certification of this measure because the result for this measure is dependent on the accuracy of the results for two other key performance measures—Number of New Licenses Issued to Individuals and Number of Licenses Renewed (Individuals). Any weaknesses identified for these two measures also affect the results for the Average Licensing Cost per Individual License Issued.

In addition, the Service deviated from the measure definition and did not include total expenditures related to direct licensing activities in its performance measure calculation. Currently, the Service includes only salary costs. The measure's definition states that costs should include salaries,

encumbrances, supplies, travel, postage, and other costs directly related to licensing. The Service worked with the Legislative Budget Board and the Governor's Office of Budget, Planning, and Policy to amend the measure definition and methodology to exclude encumbrances from this measure effective in fiscal year 2010, after this audit was in progress.

## Recommendations

The Service should:

- Ensure that total expenditures directly related to licensing activities are included in its calculation of results for Average Licensing Cost per Individual License Issued.
- Update the performance measure results for the first three quarters of fiscal year 2008 to include all expenditures directly related to licensing activities and encumbrances.

## Management's Response

*TDA agrees that the current formula for calculating cost per license does not include many expenditures associated with license issuance. These costs are being captured on other TDA licenses and the SPCS licenses will be added to these in order to provide a more accurate reporting of the cost to issue a license. Once this is done TDA will update the performance measure results for the entire fiscal year 2008.*

*Person responsible for implementing corrective action: Tim Speer, Chief Licensing Officer*

*Time line for implementation: November 30, 2008*

## Number of Complaints Resolved

### Results: Inaccurate

A measure is **Inaccurate** when the actual performance was not within 5 percent of reported performance, or when there was more than a 5 percent error in the sample of documentation tested.

The Service reported inaccurate results for this measure. Auditors recalculated the number of complaints resolved for the first three quarters of fiscal year 2008 and determined that the Service over-reported the results by 69 percent in ABEST.

The Service did not follow the measure definition. Employees responsible for calculating the measure results stated they were not fully aware of the measure's definition and methodology in ABEST. As a result, they incorrectly counted some complaints as multiple complaints and included some other complaints that should not have been included. The Service included one non-jurisdictional complaint in its calculations, even though the

measure methodology states that a complaint that is determined to be non-jurisdictional should not be counted as a resolved complaint. The Service's enforcement database does not identify between jurisdictional and non-jurisdictional complaints.

In addition, the Service did not rely on the source of information cited in the measure definition, which was the report generated from its enforcement database. Instead, the Service maintained a separate spreadsheet to track complaints (outside the enforcement database), which it used to calculate the results. However, this spreadsheet did not accurately track the number of complaints resolved during a specific time period. Auditors identified 14 duplicate complaints listed on this spreadsheet as having been resolved during the second quarter that had already been reported to ABEST as resolved in the first quarter. Also, the spreadsheet overstated the number of complaints resolved because it counted a complaint multiple times if the complaint contained more than one violation. For example, if an investigation of a complaint found three violations, the Service calculated that three complaints were resolved, rather than just one complaint.

The Service reported some complaints as resolved in the wrong time period because it did not ensure that staff used consistent methods to determine the date that a complaint was considered resolved and did not ensure that this date was accurately entered into its enforcement database. According to Service procedures, the date that a complaint is considered resolved is the date on the final action letter that is mailed to the complainant. However, the Service does not print a date on this letter; instead, it relies on staff members who prepare the letters to manually date-stamp the Service's copies of the letters before the letters are placed in the mail. However, auditors identified some letters that were not date stamped and others in which the date-stamp was difficult to read. Furthermore, 14 of 35 (40 percent) complaint files reviewed by auditors did not contain a letter of final action, so the correct resolved dates for these complaints could not be determined.

The Service does not review the data entry of these dates to ensure that the information entered into its enforcement database matches the date stamped on the final action letters. For 16 of 35 (45.7 percent) files reviewed, the resolved date in the database differed from the date stamped on the letters. Of these 16 files:

- Fourteen complaints should have been reported resolved in a quarter that was different from the quarter they were reported.
- One complaint should have been reported resolved in the prior fiscal year.
- One complaint was a non-jurisdictional complaint that should not have been included in resolved complaints reported in ABEST.

Of the 49 hard copy complaint files that auditors had requested for review, 14 files were unavailable during testing; therefore, auditors tested 35 records. Auditors also noted a lack of a documented review of the calculations for this measure before the results were submitted to the ABEST Coordinator.

## Recommendations

The Service should:

- Use the report generated by its enforcement database to calculate this measure to ensure that each resolved complaint is counted only once, regardless of the number of violations associated with a complaint.
- Create a control to identify non-jurisdictional complaints listed on the report generated by its enforcement database to ensure that non-jurisdictional complaints are not included in the reported results for this measure.
- Develop and implement policies and procedures describing how this measure should be collected, calculated, and reviewed, and ensure that employees are sufficiently trained on these policies and procedures.
- Determine the date when a complaint is resolved, develop procedures to ensure that the database accurately reflects the date on which the complaint was resolved, and incorporate this date into the letter of final action.
- Ensure that complaint files and supporting documents are available and accessible.

## Management's Response

*The database that must currently be used to calculate this measure does not offer a method for designating a complaint as jurisdictional or non-jurisdictional. Thus, it is not possible at this time to rely solely on the database to report the measure. The division responsible for reporting this measure will work with the agency's information resources staff to determine whether the database or how it is used can be modified to incorporate this capability. In the meantime, staff will either manually determine the number of jurisdictional and non-jurisdictional complaints or develop a separate tracking system to separately count these complaint types.*

*Staff responsible for calculating measures will be given access to and trained on the relevant definitions and methodologies.*

*The agency will use the date the enforcement action notice is sent to the respondent(s) and/or complainant(s) as the date the complaint is resolved to*

*maintain consistency with the agency's other pesticide program. Appropriate procedures for documenting this date in the database have already been implemented and staff has been apprised of the policy and procedure for performing this task.*

*Due to the recent transition and ongoing integration of this program into TDA some records are not currently as readily available as they will be once fully integrated into TDA's procedures. The agency will continue to explore options to enhance tracking and locating of files in order to provide more timely access for all agency personnel with a need to review, process, or audit the files, for non-agency auditors, including federal agencies with oversight of agency programs, or for any other necessary purpose.*

*Persons responsible for implementing corrective action: David R. Gipson, Deputy General Counsel for Enforcement and Mike Cardwell, Assistant Commissioner of Administrative Services*

*Time line for implementation: December 1, 2008*

### **Average Time for Complaint Resolution (Days)**

#### **Results: Inaccurate**

A measure is **Inaccurate** when the actual performance was not within 5 percent of reported performance, or when there was more than a 5 percent error in the sample of documentation tested.

The Service reported inaccurate results for this measure. Auditors recalculated the average time for complaint resolution for the first three quarters of fiscal year 2008 and determined that the Service under-reported the results by 59 percent in ABEST.

The calculation for this measure relies in part on the results of the Number of Complaints Resolved performance measure. Because the Service reported inaccurate results for the Number of Complaints Resolved for the first three quarters of fiscal year 2008, the reported results for Average Time for Complaint Resolution (Days) were also inaccurate. In addition, the Service did not ensure that its calculation for this measure used the same number of complaints resolved that were reported for the results for Number of Complaints Resolved. For example, the Service based the calculation for its second-quarter reported results for Average Time for Complaint Resolution (Day) on 14 resolved complaints, but it reported that the Number of Complaints Resolved for the same quarter was 65 complaints.

### **Recommendations**

The Service should:

- Address the weaknesses identified in the collection, calculation, and review of Number of Complaints Resolved to ensure that it can accurately calculate the results for Average Time for Complaint Resolution (Days).

- Ensure that its calculations for Average Time for Complaint Resolution (Days) are based on the same number of resolved complaints as the reported results for Number of Complaints Resolved.

### Management's Response

*We agree with the recommendations. Staff responsible for calculating measures will be given access to the relevant definitions and methodology and a meeting will be held to discuss identified issues and the means to resolve those issues and ensure accurate reporting of measures.*

*Person responsible for implementing corrective action: David R. Gipson, Deputy General Counsel for Enforcement*

*Time line for implementation: December 1, 2008*

### Number of School Inspections Performed

#### Results: Inaccurate

A measure is **Inaccurate** when the actual performance was not within 5 percent of reported performance, or when there was more than a 5 percent error in the sample of documentation tested.

The Service reported inaccurate results for this measure. Auditors recalculated the number of complaints resolved for the first three quarters of fiscal year 2008 and determined that the Service under-reported the results by 77.6 percent in ABEST.

The ABEST definition for this measure does not specify what should be considered a school inspection. The methodology states that the measure should be calculated by performing a manual count of school inspection forms. The Service is following the methodology described in ABEST; however, the purpose of this performance measure, according to the performance measure definition, is to show how effectively the Service is monitoring and inspecting integrated pest management in schools. As a result, the methodology in ABEST does not align with the stated purpose of this performance measure.

#### School Inspections

**District Review** - The purpose of this inspection is to review the school district's integrated pest management plan.

**Facility Only** - The purpose of this inspection is to inspect one building, athletic facility, or campus.

Some inspections forms contain information for more than one inspection at a facility. For example, each inspector who performs a district review also performs a facility inspection (see text box for descriptions of these inspections). These two inspections are recorded on the same form. When the Service manually counted these forms, however, some of the forms that represented two inspections were counted as only one inspection. As a result, the Service's manual count did not accurately reflect the actual number of school inspections performed. The Service reported that it conducted a total of 179 school inspections during the first three quarters of 2008; auditors calculated that the Service conducted 318 school inspections during that period.

In addition, the Service does not ensure that the manual count of inspection forms is reviewed by someone other than the person who calculated the initial result. Implementing a documented review process could reduce the risk of counting errors. The Service also lacked documented procedures for the collection, calculation, and review of this measure. Written procedures could help ensure that employees are appropriately counting each inspection.

## Recommendations

The Service should:

- Consider working with the Legislative Budget Board and the Governor's Office of Budget Management and Policy to clarify what constitutes a "school inspection" and how the inspections should be counted.
- Ensure that forms containing more than one inspection are accurately counted.
- Ensure that a documented review of the manual count of inspections is performed before results are submitted to the ABEST Coordinator.
- Work with the Legislative Budget Board and the Governor's Office of Budget, Planning, and Policy to update this performance measure's definition and methodology to align with the Service's current operations and system capabilities.

## Management's Response

*Management agrees with the recommendations. The Structural Pest Control program will work with the Legislative Budget Board and the Governor's Office of Budget Management and Policy to clarify and define the activities that constitute a school inspection and develop written procedures that detail how school inspections are counted in measuring performance. The written procedures will identify the specific inspection forms that will be used in obtaining the data to be reported, as well as outlining the process for verifying and reconciling the manual counting of inspection reports conducted and received for school inspections. The definition and methodology used for this measure will be updated accordingly to align the agency business process and its current system capabilities.*

*Person responsible for implementing corrective action: Michael Kelly, Compliance Coordinator for the Structural Pest Control Service*

*Time line for implementation: October 31, 2008*

## Number of Inspections Performed

### Results: Certified with Qualification

A measure is Certified with Qualification when reported performance appeared accurate, but the controls over data collection and reporting were not adequate to ensure continued accuracy.

The Service's reported results for this performance measure were accurate; however, the measure was certified with qualification because the Service has not developed documented policies and procedures for the collection, calculation, and review of these calculations for this measure.

In addition, the Service (1) did not document its reviews of inspection forms submitted by inspectors to data entered into its database for tracking inspections and (2) did not perform an independent verification of the manual count of inspections forms compared to the computer-generated report.

## Recommendations

The Service should:

- Document the review of inspections entered by field inspectors into the licensing database to the number of inspection forms received in the mail at Service headquarters.
- Perform and document a comparison of information contained in the computer-generated report to the manual count of inspection forms received.

## Management's Response

*Management agrees with the recommendations. The Structural Pest Control program will develop written procedures that outline the process to be used to document the reconciliation of inspection reports entered into the current licensing database with the actual hardcopy inspection forms received in the headquarters office. The written procedures will also address the process to be used in resolving discrepancies that may be identified between the information contained in the licensing database and the actual reports conducted, submitted and received by the inspectors. The procedures will further outline the process to be used in reviewing and validating the information contained in the computer generated report to the manual count of inspection reports to insure that the information is accurate.*

*Person responsible for implementing corrective action: Michael Kelly, Compliance Coordinator for the Structural Pest Control Service*

*Time line for implementation: October 31, 2008*

## ***The Service Has General IT Controls; However, Application Controls Over Its SPCS System Do Not Ensure the Integrity of Performance Measure Data***

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### **General Controls**

The Service's SPCS System has general information technology (IT) controls, including logical access controls, program change controls, physical security controls, and disaster recovery controls.

The Service should strengthen some general IT controls to ensure the continued integrity of data used for collecting, calculating, reviewing, and reporting performance measures. Specifically:

- The Service lacks adequate segregation of duties for program changes made to the SPCS system.
- The Service's logical access controls may not adequately protect the SPCS system from unauthorized access.

### **Application Controls**

The Service's application controls over its SPCS system are not sufficient to ensure the integrity of data used for collecting, calculating, reviewing, and reporting the performance measures audited. Application controls include data input controls, data processing controls, and data output controls.

The SPCS system contains several databases. These databases are not linked to one another. As a result, different departments must enter the same data multiple times into separate databases. This duplicate entry of information increases the chance for data entry errors. In addition, there are no automated checks among the different databases, which could allow licenses to be issued or renewed without the licensee paying the appropriate fees and/or passing the necessary exams.

Other weaknesses identified include:

- Some fields in the SPCS system have minimal controls to enforce data integrity, including fields for dates and Social Security numbers.
- The system does not retain historical information for license records. The lack of an audit trail prevents the Service from identifying changes made to a record and who made the changes.
- The SPCS system lacks automated controls to ensure that only authorized or approved data is processed.

- The SPCS system lacks an automated reconciliation among the different databases to ensure an accurate count of licenses entered into each database.

The current SPCS system will be integrated into the Department of Agriculture's BRIDGE/PIER system; the Department of Agriculture's goal is to complete this integration by the end of calendar year 2008.

## Recommendations

The Service should, as appropriate until the SPCS system is integrated into a new system:

- Consider improving controls for program changes made to the SPCS system. This should include ensuring an adequate segregation of duties among employees developing program changes, testing changes, and moving changes into production.
- Consider improving logical access controls over the SPCS system by ensuring that employees follow policies and procedures regarding unauthorized access to Service systems.
- Consider linking the databases within the SPCS system to minimize the need to enter the same data multiple times or consider developing compensating controls to ensure that data entered into multiple data bases is consistent, such as manually verifying that data entered into each database is consistent and accurate.
- Consider improving input controls over key data fields in the SPCS system or consider developing compensating controls to ensure the integrity and accuracy of data entered into the SPCS system, such as randomly choosing records to verify that they have been entered accurately.
- Consider developing a method to ensure that historical information on licensees is tracked and maintained in the SPCS system.

## Management Response

*TDA agrees with this finding. TDA is prioritizing its efforts to integrate the SPCS programs into the agency's BRIDGE/PIER system, as this will alleviate many of the concerns in the finding. While BRIDGE/PIER cannot be a conduit to address these findings, TDA will identify and address these concerns. Until final integration is completed TDA will review and reinforce existing protocols to insure adequate controls are in place.*

*Person responsible for implementing corrective action: Mike Cardwell,  
Assistant Commissioner of Administrative Services*

*Time line for implementation: December 1, 2008*

# Appendices

Appendix 1

## **Objectives, Scope, and Methodology**

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### Objectives

The objectives of this audit were to:

- Determine whether the Structural Pest Control Service (Service) at the Department of Agriculture accurately reports selected key performance measures to the Automated Budget and Evaluation System of Texas (ABEST).
- Determine whether the Service has adequate control systems in place over the collecting, calculating, reviewing, and reporting of selected key performance measures.

### Scope

The scope of this audit included seven key output and efficiency performance measures reported by the Service for the first three quarters of fiscal year 2008. Auditors also reviewed controls over the submission of data used in reporting performance measures and traced performance measure information to the original source when possible.

### Methodology

Auditors selected seven key performance measures reported in ABEST. The Service completed questionnaires related to its performance measurement process to help identify preliminary control information.

Procedures and tests conducted included the following:

- Auditing measure calculations for accuracy and to ensure that they were consistent with the methodology on which the Service and the Legislative Budget Board agreed.
- Analyzing data flow to evaluate whether proper controls were in place.
- Testing a sample of source documents to verify the accuracy of reported performance when possible.
- Conducting a high-level review of all information systems that support the performance measure data.

- Certifying performance measure results in one of four categories: (1) Certified, (2) Certified with Qualification, (3) Inaccurate, and (4) Factors Prevented Certification.

Criteria used included the following:

- The *Guide to Performance Measure Management* (State Auditor's Office Report No. 06-329, August 2006).
- ABEST measure definitions.

### **Project Information**

Audit fieldwork was conducted from August 2008 through September 2008. We conducted this performance audit 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 objectives.

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

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