



An Audit Report on

# Performance Measures at the Juvenile Justice Department

August 2018  
Report No. 18-042



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## Overall Conclusion

The Juvenile Justice Department (Department) had significant weaknesses in a system that it uses to manage its youth population. Those weaknesses were a result of the Department not following a change management process when implementing a change within its Correctional Care System (CCS).

As a result of that change, certain data in CCS was unreliable. While auditors observed youth and verified that the current location recorded in CCS was correct for a sample of youth, auditors identified certain errors in other key data fields such as youth admission dates.

The Department also uses information from CCS to calculate and report certain key performance measure results that are then entered in the Automated Budget and Evaluation System of Texas (ABEST). As a result, factors prevented certification for six of the nine key performance measures audited.

The Department also reported inaccurate results for two key performance measures audited due to errors in the information it used to calculate and report the performance measure data. One key performance measure tested was certified with qualification.

In addition, the Department did not have adequate policies and procedures for its performance measure collection, calculation, and reporting, and it did not conduct sufficient reviews of its collection and calculations for the performance measures audited. Auditors also noted user access weaknesses for systems that the Department used in its performance measure reporting process.

Table 1 on the next page presents a summary of the findings discussed in Chapter 1 of this report and the related issue rating.

### Background Information

Pursuant to Senate Bill 653 passed by the 82nd Texas Legislature and signed by the Governor, the Juvenile Justice Department (Department) was created on December 1, 2011, and the existing Texas Juvenile Probation Commission (TJPC) and Texas Youth Commission (TYC) were abolished. Operations of both TJPC and TYC were transferred to the Department on its inception.

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 (ABEST).

Sources: **The Department's Web** site and the *Guide to Performance Measure Management* (State Auditor's Office Report No. 12-333, March 2012).

Table 1

Summary of Chapters and Related Issue Ratings		
Chapter	Title	Issue Rating <sup>a</sup>
1	The Department Has Significant Weaknesses in the System It Uses to Manage Its Youth Population; However, Information Related to Current Youth Location for a Sample of Youth Was Accurate	Priority

<sup>a</sup> A subchapter is rated Priority if the issues identified present risks or effects that if not addressed could critically affect the audited entity's ability to effectively administer the program(s)/function(s) audited. Immediate action is required to address the noted concern and reduce risks to the audited entity.

Auditors communicated other, less significant issues separately in writing to Department management.

Table 2 summarizes the certification results, discussed in Chapters 2 and 3 of this report, for the nine performance measures tested for fiscal year 2017 and, as applicable, the first quarter of fiscal year 2018.

Table 2

Performance Measure Results for the Juvenile Justice Department (Agency No. 644)				
Related Objective or Strategy Classification	Description of Performance Measure	Fiscal Year	Results Reported in ABEST	Certification Results <sup>a</sup>
B.1.4, Outcome	Turnover Rate of Juvenile Correctional Officers	2017	40.81%	Certified with Qualification
B.1.8, Outcome	Reincarceration Rate: Within One Year	2017	23.38%	Factors Prevented Certification
B.1.9, Outcome	Reincarceration Rate: Within Three Years	2017	41.78%	Factors Prevented Certification
B.1.3.1, Explanatory	Juvenile Per Direct Supervision Juvenile Correctional Officer Staff Per Shift	2017	7.32	Inaccurate
B.1.4.1, Output	Average Daily Attendance in JJD-operated Schools	2017	988.89	Inaccurate
		First Quarter 2018 <sup>b</sup>	961.79	Inaccurate
B.1.6.1, Efficiency	Cost of Health Care Services Per Juvenile Day	2017	\$18.65	Factors Prevented Certification
B.1.7.1, Efficiency	Cost of Mental Health (Psychiatric) Services Per Juvenile Day	2017	\$1.65	Factors Prevented Certification
B.1.8.1, Output	Average Daily Population: General Rehabilitation Treatment	2017	1,046.65	Factors Prevented Certification
		First Quarter 2018 <sup>b</sup>	1,030.20	Factors Prevented Certification
B.1.8.2, Output	Average Daily Population: Specialized Treatment	2017	869.57	Factors Prevented Certification
		First Quarter 2018 <sup>b</sup>	791.68	Factors Prevented Certification

Performance Measure Results for the Juvenile Justice Department (Agency No. 644)				
Related Objective or Strategy Classification	Description of Performance Measure	Fiscal Year	Results Reported in ABEST	Certification Results <sup>a</sup>
<p><sup>a</sup> A performance 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.</p> <p>A performance 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 performance measure is also certified with qualification when controls are strong but source documentation is unavailable for testing. A performance measure is also certified with qualification if agency calculation of performance deviated from the performance measure definition but caused less than a 5 percent difference between the number reported to ABEST and the correct performance measure result.</p> <p>A performance measure is inaccurate when the actual performance is not within 5 percent of the reported performance, or when there is a 5 percent or greater error rate in the sample of documentation tested. A <b>performance measure also is inaccurate if the agency's</b> calculation deviated from the performance measure definition and caused a 5 percent or greater difference between the number reported to ABEST and the correct performance measure result.</p> <p>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 performance measure definition and the auditor cannot determine the correct performance measure result.</p> <p><sup>b</sup> The Department reported this performance measure in ABEST on a quarterly basis; therefore, auditors tested this performance measure for fiscal year 2017 and the first quarter of fiscal year 2018.</p>				

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

At the end of each chapter in this report, auditors made recommendations to address the issues identified during this audit. The Department agreed with the recommendations in this report.

## Audit Objectives and Scope

The objectives of this audit were to determine whether the Department:

- Is accurately reporting its performance measures to ABEST.
- Has adequate controls in place over the collection, calculation, and reporting of its key performance measures.

The scope of this audit included six key performance measures that the Department reported for fiscal year 2017 (September 1, 2016, through August 30, 2017) and three key performance measures that the Department reported for fiscal year 2017 and the first quarter of fiscal year 2018 (September 1, 2017, through November 30, 2017).

Auditors expanded the scope of the audit to include on-site visits to five Department facilities and one halfway house due to the issues related to the reliability and completeness of data within CCS (see Chapter 1 for discussion of those issues).

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## *Detailed Results*

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# Detailed Results

Chapter 1

## **The Department Has Significant Weaknesses in the System It Uses to Manage Its Youth Population; However, Information Related to Current Youth Location for a Sample of Youth Was Accurate**

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Chapter 1  
Rating:  
Priority <sup>1</sup>

The Juvenile Justice Department (Department) did not follow a change management process when it implemented changes to its Correctional Care System (CCS).

In January 2016, the Department implemented changes to CCS and the associated database system. The Department uses CCS to help track and manage its youth population. Those changes to CCS were intended to modify the manner in which data for certain youth was stored in the system; the project to make those changes was referred to as the Multiple Commitments Project (see text box).

However, the Department did not use a change management process when it implemented those changes (see text box for details about change management for information systems). As a result, certain data in CCS was incorrectly changed. The Department asserted that over the next several months it identified errors in the data related to the system changes; however, the Department did not restore CCS with previous data.

In addition, the Department asserted that it attempted to determine the cause of those system errors on at least three occasions between December 2016 and May 2017. However, it was unable to determine the cause, which limited its ability to correct those errors.

### Multiple Commitments Project

The purpose of the Department's Multiple Commitments Project was to update CCS to make it possible to track instances in which youths have multiple, simultaneous state commitments.

That update was intended to improve the Department's monitoring of the youths' treatment progress and length of stay requirements and to enhance the Department's general external reporting capabilities.

Source: The Department.

### Change Management

ISACA, an independent association that certifies professionals in information technology governance, defines change management as:

**"All changes, including emergency maintenance and patches, relating to infrastructure and applications within the production environment are formally managed in a controlled manner. Changes are logged, assessed, and authorized prior to implementation and reviewed against planned outcomes following the implementation. This assures mitigation of the risks of negatively impacting the stability or integrity of the production environment."**

Source: ISACA's *Control Objectives for Information and Related Technology* (COBIT), version 4.1.

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<sup>1</sup> The risk related to the issues discussed in Chapter 1 is rated as Priority because the issues identified present risks or effects that if not addressed could critically affect the audited entity's ability to effectively administer the program(s)/function(s) audited. Immediate action is required to address the noted concern and reduce risks to the audited entity.

As a result of changes the Department made to CCS, certain data in that system was not reliable.

There were errors in key data fields in the reports generated by CCS that the Department uses to monitor youth information. One of those key data fields was average daily population, which the Department uses to calculate some performance measure results. Because the Department could not provide sufficient evidence showing that the data in CCS was complete and accurate, auditors selected a sample of youth records for additional testing. Auditors identified certain errors in the CCS data for the 61 youths tested in five secure facilities and one halfway house. For example, information related to youth admission dates was inaccurate for 19 (31 percent) of the 61 youths tested. In addition, the Department identified more than 75 data fields that it determined were adversely or unexpectedly affected by the system change.

Auditors verified that the current youth's location listed in CCS was correct. Specifically, the Department provided supporting documentation for all youths tested. In addition, during on-site visits to the facilities, auditors observed the youths still assigned at those facilities and confirmed the accuracy of the location information for those youths.

The data accuracy and completeness issues identified increase the risk that the Department could make decisions related to youth based on inaccurate or incomplete information.

The Department implemented a process to fix the data errors for reporting purposes; however, it could not ensure that the process identified and corrected all errors for performance measure reporting.

The Department implemented a process to help improve the accuracy of the reports it uses to calculate performance measure information. Specifically, for those reports, the Department created a query to correct individual youth records it identified as having errors. However, that process did not correct the underlying data in CCS and the Department could not ensure that the process identified and corrected all errors in those reports. Instead, that process focused on identifying errors based on certain risk factors the Department identified.

The Department did not adequately restrict access to CCS.

The Department did not terminate in a timely manner system access to CCS for certain users who no longer required that access. Not appropriately restricting user access increases the risk that unauthorized changes could be made to CCS.

The Department has begun the process of replacing CCS.

The Department provided auditors with documentation showing that it received transfer authority from the Legislative Budget Board for the purpose of replacing CCS. The Department stated that it was in the early stages of planning that procurement.

#### Recommendations

The Department should:

- Consistently follow a change management process and ensure that it manages all changes in a manner that protects the integrity of its data.
- Develop and implement a process to ensure that its current and historical youth-related data is accurate and complete. That should include:
  - ♦ A process to verify the accuracy of data in its current system; and
  - ♦ A data migration process to ensure that all youth data is accurately transferred to and stored in any new system.
- Complete user access reviews in a timely manner to ensure that it removes those users who no longer need access to Department systems.

#### Management's Response

**Responsible Party:** *Chief Information Officer*

*The Texas Juvenile Justice Department agrees with the recommendations.*

- *Efforts to define short term improvements to the change management process within the agency will begin August 1, 2018, while the agency works to more fully define IT change management policies, procedures, roles and responsibilities, and develops the necessary training of IT and agency staff on the revised practices. Additionally, the identification, capture and measurement of key performance metrics will help the agency assess its improvement efforts and better identify any further modifications to the process. These reports will be coordinated and reviewed with agency Executive Management to ensure effectiveness and transparency.*

**Timeframe:** *While the agency will begin the effort on August 1, 2018, to identify short term improvements to the change management process, the broader review, policy development, and implementation will be completed by July 31, 2019.*

- *The agency also agrees that special attention must be paid to the process of verifying the accuracy of current and historical data within the Correctional Care System, to ensure the reliability of this information as the agency prepares to migrate to a new youth case management application. Furthermore, the agency will incorporate audits and verification checkpoints of the migrated data as the process evolves, to ensure the continued accuracy and reliability of the converted data. Leading up to the implementation of a new youth case management system, the agency expects to operate both the existing application and the new platform simultaneously, for a preliminary period, as an added means of validating the accuracy of the converted data.*

***Timeframe:*** *The agency has not yet defined the specifications for the new youth case management system, however, staff will coordinate with the selected vendor during the implementation phase to ensure a high degree of priority is placed on the verification and migration of data from the current system to the new system. Additionally, the agency will begin the review of current and historical data as of September 1, 2018, and plans to have this review completed, and audit functionality in place, by July 31, 2019. The agency expects to begin the purchase process by June 1, 2019, and complete the implementation of the new youth case management system by May 31, 2020, and will operate both systems in parallel through November 30, 2021.*

- *Although the agency currently conducts annual user access reviews with the designated application owners, the agency will review its existing operational procedures with regard to account management and access authorization to identify opportunities to strengthen the controls already in place as well as provide for an added level of review of the core aspects of these operations.*

***Timeframe:*** *The agency will complete the review of this process and implement identified enhancements by December 31, 2018.*

## ***The Department Reported Unreliable Results for Eight Key Performance Measures Tested***

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The Department reported unreliable results for eight key performance measures tested for fiscal year 2017. Specifically, factors prevented certification for six performance measures, and the Department reported inaccurate results for two performance measures tested.

Furthermore, three of those eight performance measures were required to be reported on a quarterly basis. For the first quarter of fiscal year 2018, factors prevented certification for two of those performance measures, and the Department reported inaccurate results for the third performance measure tested.

In addition, the Department did not have adequate policies and procedures or perform adequate reviews for the eight performance measures tested.

### Factors Prevented Certification

As a result of the data reliability issues discussed in Chapter 1, auditors could not determine the correct results for the performance measures that relied on that data. Specifically, the Department used data from CCS to track key youth information, such as data elements used to monitor the average daily population of youth, in its secure facilities. The Department used that CCS data in its calculation for six performance measures tested. Therefore, factors prevented certification (see text box) for the following six key performance measures:

#### Factors Prevented Certification

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 performance measure definition and the auditor cannot determine the correct performance measure result.

Source: *Guide to Performance Measure Management (State Auditor's Office Report No. 12-333, March 2012)*.

- **Reincarceration Rate: Within One Year for fiscal year 2017:** This performance measure represents the number of youth who re-enter a secure facility within one year as a percentage of the number of youth who were released from a secure program to a non-secure program, parole, or discharge.
- **Reincarceration Rate: Within Three Years for fiscal year 2017:** This performance measure represents the number of youth who re-enter a secure facility within three years as a percentage of the number of youth who were released from a secure program to a non-secure program, parole, or discharge.

- Cost of Health Care Services Per Juvenile Day for fiscal year 2017: This performance measure represents the total dollars expended for health care services for each juvenile per day in the Department’s residential programs.
- Cost of Mental Health (Psychiatric) Services Per Juvenile Day for fiscal year 2017: This performance measure represents the total dollars expended for mental health services for each juvenile per day in the Department’s residential programs.
- Average Daily Population: General Rehabilitation Treatment for fiscal year 2017 and the first quarter of fiscal year 2018: This performance measure represents the average number of juveniles served daily in the Department’s general rehabilitation treatment programs.
- Average Daily Population: Specialized Treatment for fiscal year 2017 and the first quarter of fiscal year 2018: This performance measure represents the average number of juveniles served daily in the Department’s specialized treatment programs.

#### Inaccurate Performance Measures

Juvenile Per Direct Supervision Juvenile Correctional Officer Staff Per Shift

For fiscal year 2017, the Department reported inaccurate results for the Juvenile per Direct Supervision Juvenile Correctional Officer Staff Per Shift

performance measure (see text box for inaccurate performance measure information). This performance measure represents the ratio of juveniles in secure facilities per Juvenile Correctional Officer staff for each shift.

The Department used population control logs to track the number of youth and juvenile correctional officers present in the Department’s juvenile dormitories for each shift. The Department then recorded that information in a summary document, which it used to calculate the performance measure results. The Department results were within 5 percent of the results calculated by auditors. However, the performance measure results were inaccurate because the supporting information in 6 (10 percent) of the 61 logs tested was not correctly recorded in the summary document.

Not ensuring that the population control logs are accurately recorded in the summary document increases the risk that the Department could continue to report inaccurate results.

#### Inaccurate

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

Source: *Guide to Performance Measure Management* (State Auditor’s Office Report No. 12-333, March 2012).

## Average Daily Attendance in JJD-operated Schools

For fiscal year 2017 and the first quarter of fiscal year 2018, the Department reported inaccurate results for the Average Daily Attendance in JJD-operated Schools performance measure. This performance measure represents the average number of juveniles attending school taught by Department-employed teachers each day.

The Department reported results that were within 5 percent of the results calculated by auditors. However, the performance measure results were inaccurate because auditors identified errors in the automated query that the Department used to calculate the average daily attendance. Specifically, for a sample of days for which the Department tracked its population for fiscal year 2017 and the first quarter of 2018:

- Nineteen (31 percent) of 61 days tested for fiscal year 2017 incorrectly included or excluded certain students.
- Thirteen (21 percent) of 61 days tested for the first quarter of fiscal year 2018 incorrectly included or excluded certain students.

Not ensuring that the query used to calculate the performance measure results accurately captures all required attendance information increases the risk that the Department could continue to report inaccurate results.

In addition, the Department did not terminate system access to the internet-based Texas Computer Cooperative System (iTCCS), which the Department uses to record attendance information, for certain users who no longer required that access. Not appropriately restricting user access increases the risk that unauthorized changes could be made to that system.

## Policies and Procedures and Reviews

The Department did not have adequate policies and procedures for the performance measures tested. Specifically, for seven of the eight performance measures for which the Department reported unreliable performance results, the Department was unable to provide any policies and procedures related to collecting, calculating or reporting those performance measures. For the remaining measure, the policies and procedures were not in place for the first eight months of fiscal year 2017.

*The Guide to Performance Measure Management* (State Auditor's Office Report No. 12-333, March 2012) requires state agencies to clearly document all steps performed in the collection, calculation, review, and reporting of performance measure data. Written policies and procedures will help the Department increase the consistency of collection, calculation, and review of performance measure information. Additionally, the Department did not

perform sufficient reviews for the eight performance measures for which it reported unreliable results. While the Department reviewed the final data that it submitted into ABEST, it did not review the collection and calculation of the performance measure data.

#### Recommendations

In addition to the recommendations made in Chapter 1 related to youth data in CCS used for performance measure reporting, the Department should:

- Ensure that the population control logs are accurately recorded in the summary document used to calculate the Juvenile per Direct Supervision Juvenile Correctional Officer Staff Per Shift performance measure.
- Ensure that automated queries used in the calculation of performance measure results are accurate and reviewed.
- Remove access for users who no longer require access to iTCCS.
- Develop and implement policies and procedures related to the collecting, calculating, and reporting of performance measures.
- Develop a documented review process to verify the accuracy of performance measure data and calculations.

#### Management's Response

**Responsible Party: As Noted for each bullet point**

*The Texas Juvenile Justice Department agrees with the recommendations.*

- *TJJD will 1) implement a control process to ensure the summary document used to calculate ratios contains accurate information by August 31, 2018; and 2) develop a formal procedure within the Institution Operations Manual that specifies steps for reporting the youth to JCO ratio accurately by January 1, 2019.*

**Person Responsible: Director of State Operated Programs and Services**

- *Immediately after auditors brought this error to the Department's attention, the Research department revised its performance measure calculation for average daily attendance for the third quarter of fiscal year 2018 to ensure accurate results. The Department will develop a plan to implement additional reviews of queries used in the calculation of performance measures. This will include annual review of queries by the*

*appropriate department(s) in fiscal year 2019. The reviews will be documented and saved electronically.*

**Person Responsible:** *Director of Research and Planning; Chief of Staff; Chief Operating Officer*

**Date of Implementation:** *December 31, 2019*

- *The District PEIMS Coordinator reviewed the list of active iTCCS Users and requested removal of everyone that no longer needs access on July 23, 2018 through the Region 13 Education Service Center. Subsequent review of current active Users on July 25, 2018 confirms that the request through Region 13 has been completed. Going forward, an iTCCS access review will occur at the end of every grading cycle and EDU Policy 05.21 (3)(C) will be enforced. Region 13 will be notified to inactivate users as needed.*

**Person Responsible:** *Senior Director of Education Services*

**Date of Implementation:** *July 25, 2018*

- *The Department developed a Performance Measure Manual for State Education Measures for fiscal years 2018-2019 in September 2017 and is in the process of formalizing and implementing it. The manual includes data entry, measure calculation, reporting, and controls. The Department will expand the performance measure manual to include all measures included in the agency's State performance measures.*

**Person Responsible:** *Director of Research and Planning; Chief of Staff; Chief Operating Officer*

**Date of Implementation:** *December 31, 2020*

- *While the Department had reviews for both data and calculation in place during the audit period, these processes should be expanded and formally documented. The Department is planning a data integrity workgroup starting fiscal year 2019 that will facilitate data accuracy across appropriate divisions. In an effort to further improve data integrity, the Department hired a CCS System Support Analyst starting July, 2, 2018. This person has started conducting reviews, identifying potential data issues, documenting current processes, and planning front-end user training. The intent is to develop documentation of operational, technical, and user support requirements for a new case management system that will ensure data integrity. The Department will also implement a plan for annual review of performance measure calculations. This will include all departments involved with the measures.*

**Person Responsible:** Director of Research and Planning; Chief of Staff;  
Chief Operating Officer

**Date of Implementation:** December 31, 2020

## ***The Department Reported Reliable Results for One Key Performance Measure Tested, But It Should Strengthen Its Review Process***

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### Certified with Qualification

A performance 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 performance measure is also certified with qualification when controls are strong but source documentation is unavailable for testing. A performance measure is also certified with qualification if an agency's calculation of performance deviated from the performance measure definition but caused less than a 5 percent difference between the number reported to ABEST and the correct performance measure result.

Source: *Guide to Performance Measure Management* (State Auditor's Office Report No. 12-333, March 2012).

The Department accurately reported the results for the Turnover Rate of Juvenile Correctional Officers performance measure for fiscal year 2017, which represents the termination rate of Juvenile Correctional Officers within the fiscal year. That measure was certified with qualification because the Department did not have policies and procedures in place for the first eight months of fiscal year 2017. (See the text box for certified with qualification information.)

In addition, while the Department documented the review that it performed to verify that its summary documentation was accurately entered into ABEST, it did not have a documented review in place for the collection or calculation of the performance measure data.

### Recommendation

The Department should implement a documented review process for collecting and calculating the Turnover Rate of Juvenile Correctional Officers performance measure.

### Management's Response

- *The Texas Juvenile Justice Department agrees with the recommendations. The Department developed informal procedures in FY 2017 which will be expanded and formalized. For the period audited, the Department routinely reviewed data collected and calculated for JCO employees and terminations against available numbers published by the State Auditor's Office prior to reporting. While there is some lag in SAO reporting, the reported numbers have been within .1% since the Department was created. In July 2018, the Department moved to CAPPS HR/Payroll to replace the state's Uniform Statewide Payroll/Personnel System (USPS). Research and Planning will be reviewing information and documentation in CAPPS HR/Payroll. Once the new source data is available, the Department will move forward with recreating the turnover calculation. A review process will be formally documented and reviews will be saved electronically.*

***Person Responsible: Director of Research and Planning***

***Date of Implementation: September 30, 2019***

# Appendices

Appendix 1

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

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### Objectives

The objectives of this audit were to determine whether the Juvenile Justice Department (Department):

- Is reporting accurate performance measure results to the Automated Budget and Evaluation System of Texas (ABEST).
- Has adequate controls over the collection, calculation, and reporting of its performance measures.

### Scope

The scope of this audit included six key performance measures that the Department reported for fiscal year 2017 (September 1, 2016, through August 30, 2017) and three key performance measures that the Department reported for fiscal year 2017 and the first quarter of fiscal year 2018 (September 1, 2017, through November 30, 2017).

Auditors expanded the scope of the audit to include on-site visits to five Department facilities and one halfway house due to the issues related to the reliability and completeness of data within the Correctional Care System (CCS) (see Chapter 1 for discussion of those issues).

### Methodology

The audit methodology included auditing the Department's reported performance measure results for accuracy and adherence to performance measure definitions and evaluating controls over the Department's performance measure calculation processes. Auditors also assessed the reliability of the Department's performance measure-related data obtained from the Uniform Statewide Payroll/Personnel System (USPS), the Internet-based Texas Computer Cooperative Software (iTCCS), CCS, and internally maintained Excel spreadsheets, which supported the reported performance measure results. Auditors also tested support in the Department's hard-copy master files for the youth in its facilities to verify key data in CCS.

## Data Reliability and Completeness

Auditors assessed the reliability of the data from CCS related to the following performance measures:

- Reincarceration Rate: Within One Year.
- Reincarceration Rate: Within Three Years.
- Cost of Health Care Services Per Juvenile Day.
- Cost of Mental Health (Psychiatric) Services Per Juvenile Day.
- Average Daily Population: General Rehabilitation Treatment.
- Average Daily Population: Specialized Treatment.

Auditors also assessed the reliability of the data from:

- USPS related to the Turnover Rate of Juvenile Correctional Officers performance measure.
- iTCCS related to the Average Daily Attendance in JJD-operated Schools performance measure.
- Excel spreadsheets that the Department internally maintained for the Juvenile Per Direct Supervision Juvenile Correctional Officer Staff Per Shift performance measure.

To do that, auditors (1) determined population completeness and reasonableness; (2) reviewed the process to generate data related to the calculation of the performance measures; (3) interviewed and obtained information from Department staff; (4) reviewed source documentation for performance measure data; and (5) evaluated information technology general controls, including user access and change management for the Department's CCS system.

Auditors determined that for fiscal year 2017 and the first quarter of fiscal year 2018, the USPS data, the iTCCS data, and data from the Excel spreadsheets internally maintained by the Department was sufficiently reliable for the purposes of this audit.

However, auditors determined that for fiscal year 2017 and the first quarter of fiscal year 2018, the CCS data was not sufficiently reliable for the purposes of this audit. As discussed in Chapter 1, certain data in that system was not reliable as of a result of system changes the Department made to CCS.

## Sampling Methodology

For the Turnover Rate of Juvenile Correctional Officers, Average Daily Attendance in JJD-operated Schools, and Juvenile Per Direct Supervision Juvenile Correctional Office Staff Per Shift performance measures, auditors selected non-statistical samples through random selection. The sample items were not necessarily representative of the population; therefore, it would not be appropriate to project the test results to the population. Auditors used the samples to test whether controls over the performance measures were operating effectively to ensure that performance measure results were accurate and to determine whether the Department was accurately reporting its performance measures in ABEST.

Additionally, to verify key data in CCS, auditors selected a risk-based sample of youths' records in CCS for testing. The sample items were generally not representative of the population and, therefore, it would not be appropriate to project those test results to the population. Auditors used the sample to verify the youth's physical presence at Department facilities and to test other key data fields in CCS.

Information collected and reviewed included the following:

- Performance measure information reported in ABEST.
- The Department's summary and source documents used for calculating the performance measure results tested.
- Reports generated from the Department's internal payroll system used to calculate the performance measure results tested.
- The Department's hard-copy master files for the youth in its facilities.

Procedures and tests conducted included the following:

- Interviewed Department staff to gain an understanding of the processes used to calculate the performance measures tested.
- Reviewed performance measure calculations for accuracy and to determine whether the calculations were consistent with the definitions on which the Department, the Legislative Budget Board, and the Governor's Office of Budget, Planning, and Policy agreed.
- Tested a sample of source documents to verify the accuracy of reported performance and the effectiveness of controls.

- Interviewed individuals responsible for data entry into CCS at Department facilities to gain an understanding of any data accuracy and data use issues.
- Tested a sample of youth in Department facilities to verify the accuracy of certain data in CCS.
- Assessed performance data results in one of the four categories: Certified, Certified with Qualification, Inaccurate, or Factors Prevented Certification.

Criteria used included the following:

- *The Guide to Performance Measure Management* (State Auditor's Office Report No. 12-333, August 2012).
- ABEST performance measure definitions.
- The Department's policies and procedures.
- Title 1, Texas Administrative Code, Chapter 202.

#### Project Information

Audit fieldwork was conducted from December 2017 through June 2018. 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:

- Jeffrey D. Criminger (Project Manager)
- Joseph T. Frederick, CPA (Assistant Project Manager)
- Philip Stringer, CPA (Assistant Project Manager)
- Michael Bennett
- James Collins
- John Felchak
- David Garcia Benitez

- Arnton Gray
- Justin H. Griffin, CISA
- Nathan Stein
- Richard Wyrick
- Dana Musgrave, MBA (Quality Control Reviewer)
- Audrey O’Neill, CIA, CFE, CGAP (Audit Manager)

## Issue Rating Classifications and Descriptions

Auditors used professional judgement and rated the audit findings identified in this report. Those issue ratings are summarized in the report chapters/sub-chapters. The issue ratings were determined based on the degree of risk or effect of the findings in relation to the audit objective(s).

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

Table 3 provides a description of the issue ratings presented in this report.

Table 3

Summary of Issue Ratings	
Issue Rating	Description of Rating
Low	The audit identified strengths that support the audited entity's ability to administer the program(s)/function(s) audited <u>or</u> the issues identified do not present significant risks or effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.
Medium	Issues identified present risks or effects that if not addressed could <u>moderately affect</u> the audited entity's ability to effectively administer program(s)/function(s) audited. Action is needed to address the noted concern(s) and reduce risks to a more desirable level.
High	Issues identified present risks or effects that if not addressed could <u>substantially affect</u> the audited entity's ability to effectively administer the program(s)/function(s) audited. Prompt action is essential to address the noted concern(s) and reduce risks to the audited entity.
Priority	Issues identified present risks or effects that if not addressed could <u>critically affect</u> the audited entity's ability to effectively administer the program(s)/function(s) audited. Immediate action is required to address the noted concern(s) and reduce risks to the audited entity.

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The Honorable Jane Nelson, Senate Finance Committee

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The Honorable Dennis Bonnen, House Ways and Means Committee

## Office of the Governor

The Honorable Greg Abbott, Governor

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