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An Audit Report on

Performance Measures at the Commission on Jail Standards

August 2011
Report No. 11-048

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Overall Conclusion

The Commission on Jail Standards (Commission) reported reliable results for all six key performance measures tested for fiscal year 2010 and all four key performance measures tested for the first two quarters of fiscal year 2011. A performance measure result is considered reliable if it is certified or certified with qualification.

The following key performance measures were certified for fiscal year 2010 and the first two quarters of fiscal year 2011:

- Number of Annual Inspections Conducted.
- Number of On-site Planning and Construction Consultations with Jail Representatives.
- Number of On-site Operation and Management Consultations with Jail Representatives.
- Number of Paper-ready Reports Analyzed.

The following key performance measures were certified with qualification for fiscal year 2010¹ because the Commission's calculation methodology deviated from the performance measure definition, but that caused less than a 5 percent difference between reported results and actual results:

- Number of Jails Achieving Compliance with Standards.
- Percent of Jails with Management-related Deficiencies.

Commission on Jail Standards

The Legislature created the Commission on Jail Standards (Commission) in 1975 to implement a state policy that all county jail facilities conform to minimum standards of construction, maintenance, and operation. In 1983, the Legislature expanded the Commission's jurisdiction to include county and municipal jails operated under vendor contract.

The Commission promulgates written rules and procedures to establish minimum standards, inspection procedures, enforcement policies, and technical assistance for:

- The construction, equipment, maintenance, and operation of jail facilities under its jurisdiction.
- The custody, care, and treatment of inmates.
- Programs of rehabilitation, education, and recreation for inmates confined in county and municipal jail facilities under its jurisdiction.

¹ The Commission reports Number of Jails Achieving Compliance with Standards and Percent of Jails with Management-related Deficiencies only on an annual basis; therefore, auditors did not test those performance measures for the first two quarters of fiscal year 2011.

Table 1 summarizes the certification results for the key performance measures tested.

Table 1

The Commission on Jail Standards (Agency No. 409)				
Related Objective or Strategy, Classification	Description of Performance Measure	Fiscal Year	Results Reported in the Automated Budget and Evaluation System of Texas (ABEST)	Certification Results ^a
A, Outcome	Number of Jails Achieving Compliance with Standards	2010 ^b	221	Certified with Qualification
A, Outcome	Percent of Jails with Management-related Deficiencies	2010 ^b	9.79%	Certified with Qualification
A.1.1, Output	Number of Annual Inspections Conducted	2010	245	Certified
		2011 - First Two Quarters	150	Certified
A.2.1, Output	Number of On-site Planning and Construction Consultations with Jail Representatives	2010	278	Certified
		2011 - First Two Quarters	110	Certified
A.2.2, Output	Number of On-site Operation and Management Consultations with Jail Representatives	2010	311	Certified
		2011 - First Two Quarters	174	Certified
A.3.1, Output	Number of Paper-ready Reports Analyzed	2010	6,635	Certified
		2011 - First Two Quarters	3,315	Certified
<p>^a 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 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.</p> <p>A performance 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 rate 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.</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>^b The Commission reports Number of Jails Achieving Compliance with Standards and Percent of Jails with Management-related Deficiencies only on an annual basis; therefore, auditors did not test those performance measures for the first two quarters of fiscal year 2011.</p>				

Summary of Management's Response

The Commission agreed with the recommendations in this report.

Summary of Information Technology Review

Auditors assessed information technology (IT) controls over the Commission's information systems and the automated processes the Commission uses for performance measure data. The Commission has limited computer assets and uses a Microsoft Access database for three of the six performance measures tested. Therefore, auditors performed minimal work on the Commission's IT controls.

Auditors evaluated general IT controls, including logical access controls, physical security, and disaster recovery. Auditors also reviewed limited application controls.

Overall, the Commission's general and application controls were adequate to ensure the integrity of performance measure data. However, the Commission does not conduct periodic reviews of user access to its automated system (see Chapter 2 of this report for additional information).

Summary of Objectives, Scope, and Methodology

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

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

The audit scope included six key performance measures the Commission reported for fiscal year 2010 and four key performance measures the Commission reported for the first two quarters of fiscal year 2011. Auditors reviewed the controls over submission of the data the Commission used to report the performance measures and traced performance measure information to the original source documents when possible.

The audit methodology consisted of selecting six key performance measures for fiscal year 2010 and four key performance measures for the first two quarters of fiscal year 2011; auditing reported results for accuracy and adherence to performance measure definitions; evaluating controls over performance measure calculation processes; testing of original source documentation; and assessing the reliability of the data obtained from the Commission's information system that supports performance measure data.

Auditors identified other less significant issues that were communicated to Commission management in writing.

Auditors determined that the information in the Commission's Microsoft Access database for fiscal year 2010 and the first two quarters of fiscal year 2011 was sufficiently reliable for the purposes of this audit by testing key access and application controls and interviewing personnel knowledgeable about the database.

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Detailed Results

Chapter 1

The Commission Reported Reliable Results for All Key Performance Measures Tested

The Commission on Jail Standards (Commission) reported reliable results for all six key performance measures tested for fiscal year 2010 and all four key performance measures tested for the first two quarters of fiscal year 2011. A result is considered reliable if it is certified or certified with qualification.

The Commission has improved the certification of its performance measures since the State Auditor's Office's performance measures audit at the Commission in 2006.² The 2006 audit determined that five of six key performance measures tested were unreliable; as stated above, this audit determined that all six key performance measures tested were reliable.

Key Measures

Number of Annual Inspections Conducted

Number of On-site Planning and Construction Consultations with Jail Representatives

Number of On-site Operation and Management Consultations with Jail Representatives

Number of Paper-ready Reports Analyzed

Results: Certified

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.

These key performance measures were certified for fiscal year 2010 and the first two quarters of fiscal year 2011. The Commission accurately reported the performance measure results to the Automated Budget and Evaluation System of Texas (ABEST) within 5 percent of actual performance, based on auditor recalculations and tests of supporting documentation. The Commission also had strong controls over the input, processing, and review of performance measure data, and those controls were operating effectively to ensure that the Commission calculated and reported the performance measures accurately.

² See *An Audit Report on Performance Measures at the Commission on Jail Standards*, State Auditor's Office Report 06-040, May 2006.

Number of Jails Achieving Compliance with Standards

This performance measure was certified with qualification for fiscal year 2010 because the Commission's calculation methodology deviated from the performance measure definition. When calculating this performance measure, the Commission incorrectly included one jail that last received an annual inspection in fiscal year 2009.

Results: Certified with Qualification

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 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.

According to the performance measure definition, only jails that received an annual inspection during the current fiscal year should be counted when calculating the measure. However, the Commission's policies and procedures do not address that requirement.

The Commission uses a database query to determine which jails were in compliance during their most recent inspection, and it then reports the number of compliant jails in ABEST. However, the query the Commission uses does not specify a date range; therefore, jails that were inspected during prior fiscal years would be included in its reported performance measure results if they were in compliance during their last inspection and have not been reinspected.

While the Commission's calculation deviated from the performance measure definition, that deviation caused less than a 5 percent difference between the reported results and actual results; therefore, the performance measure was certified with qualification.

Percent of Jails with Management-related Deficiencies

This performance measure was certified with qualification for fiscal year 2010 because the Commission's calculation methodology deviated from the performance measure definition. The performance measure definition requires this performance measure to be calculated by dividing the number of jails with management-related deficiencies by the total number of jails that received an inspection during the current fiscal year. When making that calculation, the Commission:

- Incorrectly included in the number of jails with management-related deficiencies one jail that had management-related deficiencies identified during a fiscal year 2009 inspection.
- Incorrectly included in the total number of jails that received an inspection during the current fiscal year two jails that last received an annual inspection in fiscal year 2009.

According to the performance measure definition, only activity that occurred during the current fiscal year should be included when calculating the measure. However, the Commission's policies and procedures do not address that requirement.

The Commission uses a database query to determine which jails were not in compliance during their most recent inspection; the Commission then determines which of those jails had management-related deficiencies. However, the query the Commission uses does not specify a date range; therefore, jails that were inspected during prior fiscal years would be included if they were in not in compliance during their last inspection. The Commission divides the number of noncompliant jails with management-related deficiencies by the total number of jails under its jurisdiction to determine the percent of jails with management-related deficiencies and then reports that percentage in ABEST.

While the Commission's calculation deviated from the performance measure definition, that deviation caused less than a 5 percent difference between the reported results and actual results; therefore, the performance measure was certified with qualification.

Recommendations

The Commission should:

- Consistently follow performance measure definitions when calculating its performance measures.
- As necessary, revise its policies and procedures to be consistent with performance measure definitions.
- Revise its database queries to ensure that it captures the correct data for each performance measure.

Management's Response

*The Commission concurs with the findings. Policies and procedures have been revised to incorporate specific language regarding the inclusion of only jails that have received an annual inspection when calculating the **Number of Jails Achieving Compliance with Standards and Percent of Jails with Management Related Deficiencies**. During the course of the audit, it was determined that two facilities under the Commission's purview that were depopulated but not officially closed were included when calculating the two Outcome Measures. The Commission's policies and procedures now address this situation and facilities that meet these criteria will have an annual inspection conducted and the associated documentation generated in lieu of a memorandum and the continuation of the facility's status from the previous annual inspection. This change in operations was implemented immediately upon discovery and was employed at one of the two facilities that is under the Commission's purview but depopulated.*

In addition, the queries utilized are being reviewed and will be modified to include criteria such as last inspection date and type of inspection on the report generated. The reports will also be validated by the inclusion of specific data sets that will be used for testing purposes only to ensure the queries are capturing the correct data for each performance measure. This change will be implemented before the end of fiscal year 2011.

The Commission Should Improve Certain Information Technology Controls

Since the State Auditor's Office's performance measures audit at the Commission in 2006,³ the Commission has improved certain information technology controls. Specifically, the Commission now:

- Stores data backup tapes off site in a secure location.
- Has two employees who have network administrator access; as a result, the Commission has a back-up administrator if the primary network administrator is unavailable.
- Houses servers in a temperature-controlled room.
- Tests its disaster recovery plan annually.

While the Commission has improved certain information technology controls, it does not perform periodic reviews of user access to its network and database. However, auditors tested the Commission's network and database access and determined the levels of user access were appropriate.

Recommendation

The Commission should perform periodic reviews of user access to its network and database.

Management's Response

The Commission concurs with the finding. Agency IT operations and the associated policies and procedures will be revised to include quarterly reviews of user access to the network and databases. This quarterly review will be documented and the results will be submitted to management for review and retention.

³ See *An Audit Report on Performance Measures at the Commission on Jail Standards*, State Auditor's Office Report 06-040, May 2006.

Appendices

Appendix 1

Objectives, Scope, and Methodology

Objectives

The objectives of this audit were to determine whether the Commission on Jail Standards (Commission):

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

Scope

The scope of this audit included six key performance measures the Commission reported for fiscal year 2010 and four key performance measures the Commission reported for the first two quarters of fiscal year 2011.

Methodology

The audit methodology consisted of selecting six key performance measures for fiscal year 2010 and four key performance measures for the first two quarters of fiscal year 2011; auditing reported results for accuracy and adherence to performance measure definitions; evaluating controls over performance measure calculation processes; testing of original source documentation; and assessing the reliability of the data obtained from the Commission's information system that supports performance measure data.

The Commission completed questionnaires related to its performance measure process to help auditors identify preliminary control information.

Auditors assessed the reliability of Commission data by (1) reviewing key data elements to identify obvious errors in completeness and accuracy, (2) observing controls over data output from the database used to report performance measures, (3) reviewing certain general information technology controls, (4) performing access control testing, and (5) interviewing Commission employees knowledgeable about the data. In addition, auditors traced a random sample of performance measure data from the database to source documentation. Auditors determined that the data was sufficiently reliable for the purposes of this audit.

Information collected and reviewed included the following:

- Documentation supporting the Commission's calculation of each performance measure tested.
- Hard-copy files, including county jail inspection files, inspector logs, agency calendars, and population reports.
- Performance measure data in the Commission's inspections database.

Procedures and tests conducted included the following:

- Interviewing Commission staff to gain an understanding of the processes the Commission uses to calculate performance measures.
- Evaluating the sufficiency of policies and procedures to determine whether they were adequate to help ensure the correct calculation of performance measures.
- Auditing performance measure calculations for accuracy and to determine whether they were consistent with the methodology on which the Commission; the Legislative Budget Board; and the Governor's Office of Budget, Planning and Policy 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 high-level reviews of the information system that supports performance measure data.
- Assessing performance measure results in one of four categories: certified, certified with qualification, inaccurate, and factors prevented certification.

Criteria used included the following:

- *Guide to Performance Measure Management* (State Auditor's Office Report No. 06-329, August 2006).
- ABEST performance measure definitions.
- Commission policies and procedures.
- Title 1, Texas Administrative Code, Chapter 202.

Project Information

Audit fieldwork was conducted from June 2011 through July 2011. 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:

- Ann E. Karnes, CPA (Project Manager)
- Jeannette Quiñonez, CPA (Assistant Project Manager)
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- Lisa M. Thompson
- Brenda Zamarripa
- Michael C. Apperley, CPA (Quality Control Reviewer)
- Verma Elliott, CPA, CIA, CGAP, MBA (Audit Manager)

Related State Auditor's Office Work

Related State Auditor's Office Work		
Number	Product Name	Release Date
06-040	An Audit Report on Performance Measures at the Commission on Jail Standards	May 2006

Copies of this report have been distributed to the following:

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The Honorable Joe Straus III, Speaker of the House, Joint Chair
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The Honorable Jim Pitts, House Appropriations Committee
The Honorable Harvey Hilderbran, House Ways and Means Committee

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