



An Audit Report on
**Confidential Data Management at the
Texas Workforce Commission**

August 30, 2021

Members of the Legislative Audit Committee:

While the Texas Workforce Commission (Commission) implemented some processes and controls to secure its confidential data, it should strengthen those processes and controls to help prevent unauthorized disclosure of its confidential data.

Rating: Priority

Rating: Medium

To minimize security risks, auditors communicated details about the audit findings separately to the Commission in writing. Two of those findings, which were rated Priority, critically affect the Commission's ability to effectively administer its information security function. Immediate action should be taken to reduce the risk. Two other findings, which were rated Medium, moderately affect the Commission's information security function. The Commission agreed with the findings and asserted that it would implement corrective actions.

**Summary of Objective, Scope,
and Methodology**

The objective of this audit was to determine whether the Texas Workforce Commission (Commission) has implemented information security standards and related controls to help ensure that confidential data in the agency's possession is secure.

The scope of this audit covered certain general controls related to selected systems that contain some form of confidential data for the period of September 2019 through February 2021. The scope also included a review of significant internal control components related to securing confidential data.

The audit methodology included gaining an understanding of the Commission's information security standards and related controls, collecting and reviewing policies and procedures, collecting documentation related to information security controls, performing tests and other procedures, and analyzing and evaluating the results of those tests.

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.

Pursuant to Standard 9.61 of the U.S. Government Accountability Office's Generally Accepted Government Auditing Standards, certain information was omitted from this report because that information was deemed to present potential risks related to public safety, security, or the disclosure of private or confidential data. Under the provisions of Texas Government Code, Section 552.139, the omitted information is also exempt from the requirements of the Texas Public Information Act.

Sincerely,

Lisa R. Collier, CPA, CFE, CIDA
First Assistant State Auditor

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Members of the Legislative Audit Committee

August 30, 2021

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cc: The Honorable Greg Abbott, Governor
Mr. Ed Serna, Executive Director, Texas Workforce Commission
Members of the Texas Workforce Commission
 Mr. Bryan Daniel, Chairman
 Mr. Julian Alvarez
 Mr. Aaron Demerson



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