



# Offboarding Processes at Selected State Agencies

- The Texas Workforce Commission (TWC) established a process for documenting the return of state-assigned assets upon employee separation; however, that process did not effectively ensure that all assets were returned as required.
- The Texas Animal Health Commission (TAHC) ensured that assets were returned by separating employees; however, it should strengthen its processes to ensure that appropriate documentation is completed consistently.
- Both TWC and TAHC removed access to information systems for separated staff; however, they should strengthen their oversight of the process to ensure that this is done in a timely manner.

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State Auditor

Both agencies audited had established offboarding processes for separating employees. However, the Texas Workforce Commission (TWC) had significant weaknesses in its offboarding processes for ensuring that state assets assigned to separating staff were documented as received and assigned back to TWC. In addition, the Texas Animal Health Commission (TAHC) should improve its monitoring of compliance with its offboarding documentation requirements.

• *Audit Objective* | p. 17

*This audit was conducted in accordance with Texas Government Code, Sections 321.013 and 321.0132.*

## **PRIORITY**



### **TWC – RETURN OF STATE ASSETS**

TWC did not have an effective process in place to ensure that all assets were returned for separated staff.

[Chapter 1-A | p. 3](#)

## **MEDIUM**



### **TWC – DISABLING OF SYSTEM AND PHYSICAL ACCESS**

TWC removed access to its systems and buildings for separated staff. However, it should strengthen its documentation to ensure that user accounts are disabled in a timely manner.

[Chapter 1-B | p. 7](#)

## **MEDIUM**



### **TAHC – RETURN OF STATE ASSETS**

TAHC ensured that separating employees returned assigned assets. However, TAHC should strengthen its oversight to verify that separation documentation is consistently completed.

[Chapter 2-A | p. 10](#)

## **MEDIUM**



### **TAHC - DISABLING OF SYSTEM ACCESS**

TAHC disabled information system access for separating employees. However, it did not consistently disable that access in a timely manner.

[Chapter 2-B | p. 13](#)

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## Summary of Management's Response

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Auditors made recommendations to address the issues identified during this audit, provided at the end of each chapter in this report. TWC and TAHC agreed with their respective recommendations.

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## Ratings Definitions

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Auditors used professional judgment and rated the audit findings identified in this report. The issue ratings identified for each chapter were determined based on the degree of risk or effect of the findings in relation to the audit objective(s).

**PRIORITY:** 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(s) and reduce risks to the audited entity.

**HIGH:** Issues identified present risks or effects that if not addressed could *substantially affect* 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.

**MEDIUM:** Issues identified present risks or effects that if not addressed could *moderately affect* the audited entity's ability to effectively administer the program(s)/function(s) audited. Action is needed to address the noted concern(s) and reduce risks to a more desirable level.

**LOW:** The audit identified strengths that support the audited entity's ability to administer the program(s)/function(s) audited or 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.

For more on the methodology for issue ratings, see [Report Ratings](#) in Appendix 1.



**PRIORITY**

## Chapter 1-A TWC – Return of State Assets

The Texas Workforce Commission (TWC) did not have an effective process to ensure the return of all assets by separated staff.

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**TWC could not ensure that assigned state assets for separated employees were returned.**

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TWC did not have an effective process in place to ensure that all assets were returned by employees upon separation. The process used for TWC employees differed from the process used for contract and temporary employees and its method for assigning and tracking assets was not uniform across the various departments.

TWC relied on supervisors and property control officers to independently maintain asset assignment records, and it primarily updated its asset management system during the annual inventory of assets. As a result, the asset management system did not consistently reflect real-time custodian information throughout the year. TWC might not identify that an asset is missing until an annual inventory is performed. Consequently, TWC could not ensure that all assets were returned at the time of separation.

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**TWC developed a separation process, including a checklist, but did not consistently follow that process.**

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According to TWC's documented procedures:

- Property control officers were responsible for tracking the assets provided to their assigned employees<sup>1</sup>.

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<sup>1</sup> The property control officer may also be a department supervisor or manager.

- Upon an employee's separation, a supervisor must complete a checklist that identifies all the assets that should be returned by the employee. The asset list could be requested from the property control officer.
- The human resources department was responsible for reviewing and approving the completed checklist.

However, TWC did not adequately monitor to ensure that the supervisors followed this process; for the separations tested, supervisors did not consistently verify the return of the state assets. For example, for 27 of the 37 separating employees tested who TWC asserted were assigned state assets, the agency was not able to provide a completed checklist or other documentation verifying the return of the assigned assets<sup>2</sup>. In addition, the human resources department approved and closed all 27 of those incomplete checklists, 6 of which were blank except for the supervisor signature.

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### TWC did not have a standardized offboarding process for contract and temporary employees

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Under TWC's processes, assets for contract or temporary employees were assigned to their managers, who were responsible for ensuring that separating staff returned those assets. However, it had not established offboarding procedures or tools for those managers to use. As a result, the documentation did not consistently identify the assets that were assigned to contract and temporary employees or indicate whether the assets were returned upon separation. Specifically, for 6 of 11 contract and temporary staff tested who TWC asserted were assigned assets, the agency could not provide sufficient documentation demonstrating the return of those assets<sup>3</sup>.

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<sup>2</sup> Auditors tested a total of 40 separating regular employees. TWC asserted that three of those employees were not assigned state assets.

<sup>3</sup> Auditors tested a total of 20 contractor and temporary employees. TWC asserted that nine of those employees were not assigned state assets.

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## Recommendations

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TWC should:

- Update its offboarding process to ensure that all state-assigned assets are identified and returned upon staff separation.
- Monitor to verify that its separation checkout procedures are consistently followed.
- Establish a process or tool to accurately identify assets assigned to contract or temporary employees.

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## Management's Response

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TWC agrees with the findings.

- TWC will convene a workgroup to address the assignment, transfer, and return of assets and update the offboarding process to ensure that all state-assigned assets are identified and returned upon staff separation.

Responsible Party: Human Resources Director, Business Operations Division, TWC

Completion Timeline: February 28, 2026

- TWC implemented procedures to monitor and ensure compliance with all separation requirements. Separations are not being finalized until HR verifies managerial staff has completed data entry in the CAPPS separation tool.

Responsible Party: Human Resources Director, Business Operations Division, TWC

Completion Timeline: August 11, 2025

- TWC will establish a process or tool to accurately identify assets assigned to contract or temporary employees. The Information Technology Division and the Business Operations Division, including the Infrastructure Services Department and the Human

Resources Department will review options and determine what processes, automated or manual, can be implemented to address this issue.

Responsible Party: Human Resources Director, Business Operations Division, TWC

Completion Timeline: February 28, 2026

## Chapter 1-B

**MEDIUM**

## TWC – Disabling of System and Physical Access

TWC removed access to its systems and buildings for separated staff. However, TWC did not consistently deactivate access to its systems within the timelines set by its policy.

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**TWC disabled access to its systems for separated employees; however, it could strengthen its process.**

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TWC effectively implemented procedures to remove access to its information technology (IT) systems for separated personnel, which included employees, contractors, and temporary personnel. Specifically, TWC removed access to its IT systems for all 60 separated individuals tested (which included 40 agency staff and 20 contractors or temporary personnel). In addition, all but one of the active user accounts as of April 2025 were associated with a current employee.

Additionally, TWC removed access within required timeframes for 49 (82 percent) of 60 separated employees tested. For the remaining 11 (18 percent) of the 60 separated individuals tested, TWC was unable to provide documentation demonstrating that the access for these individuals had been disabled timely.

Consistently documenting the dates that system access was removed strengthens TWC's ability to verify that access was removed upon separation as required.

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**TWC consistently deactivated building access badges for separated employees.**

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TWC appropriately deactivated building access badges for separated employees. Specifically, an employee's building access badge was automatically disabled when IT deactivated that employee's information system access.

However, a system error in TWC's third-party-managed badge system resulted in the unintended reactivation of building access credentials for certain separated employees. Those reactivated badges were not used to access the building after the employees' separations.

After auditors brought this error to the agency's attention, TWC stated that it implemented a process to prevent this error from reoccurring by manually reviewing separation data on a weekly basis and removing badge records from the system so that badges were unable to reactivate.

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## Recommendations

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TWC should:

- Update its processes to retain supporting documentation of the system access removal for separating employees.
- Continue to review the separation data and remove badge access records to ensure that the badges will not reactivate.

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## Management's Response

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TWC agrees with the findings.

- TWC will update its process to ensure supporting documentation is retained when system access is removed for departing employees. Information Technology/Infrastructure Services/Access Identity Provisioning will implement an improved process that ensures TWC consistently documents the dates that system access was removed to strengthen TWC's ability to verify that access was removed upon separation as required.

Responsible Party: Deputy CIO, Information  
Technology/Infrastructure Services Division, TWC

Completion Timeline: December 31, 2025

- TWC has addressed the unintended reactivation of building access badges for separated employees due to a system error within the S2 badge system. Although none of the reactivated badges were



used to access buildings after separation, corrective actions were rapidly implemented.

The following steps were taken:

- Risk and Security Management (RSM) staff now manually delete badge credentials from the terminated employee's S2 access system profile as part of the separation process.
- A weekly manual review of separation data is conducted to ensure badge access records are accurately removed and not subject to unintended reactivation.
- The Agency Badge Policy is currently being revised to reflect these changes.
- The RSM team now enters notes into the S2 system at the time credentials are deleted, providing a clear audit trail for each action taken.

These measures fully address the audit recommendation and strengthen our controls over physical access for separated employees.

Responsible Party: Risk and Security Manager III, Risk and Security Department, Business Operations Division, TWC

Completion Timeline: August 29, 2025

**MEDIUM**

## Chapter 2-A

### TAHC – Return of State Assets

The Texas Animal Health Commission (TAHC) had processes to support the return of assigned assets from separating employees, but it should verify that separation documentation is consistently completed.

#### TAHC ensured that separating employees returned assigned assets.

TAHC implemented processes to sufficiently track assigned assets throughout an employee's tenure, including ensuring that employees return assets at the time of separation. However, TAHC did not consistently ensure that all assets were returned by the employee's last physical workday. Twenty-seven (59 percent) of 46 separated employees did not return all their assets by their last physical workday. Using independent analysis of TAHC's inventory system, auditors were able to determine that TAHC accounted for all assets assigned to the employees for the 46 separations that occurred between September 2023 and February 2025.

When employees were provided assets, TAHC recorded the asset assignments in their inventory system within two business days. In addition, it had processes to help ensure that asset information was updated when assignments changed, such as when an employee left the agency. This process included requiring managers to complete a separation checklist and property transfer reports (see text box for more information about those forms).

##### Required Forms for Employee Separations

- **Manager's Separation Checklist.** Managers must complete a checklist upon an employee's separation. This checklist contains the employee's last day worked and the assets returned, as well as other payroll information. This form must be signed and dated by the manager and returned to TAHC's human resources department to be included in employee's personnel file.
- **Property Transfer Report.** Managers are required to complete a property transfer report when an employee separates from TAHC. The form includes the date and signature from the manager who receives an assigned asset from an employee (up to four assets per form). This form is then provided to the inventory specialist, who updates the agency's asset information in the inventory system.

Source: TAHC.

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## TAHC should strengthen its oversight to verify that separation documentation is consistently completed as required.

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TAHC managers did not always complete the separation checklists and property transfer reports as required. Additionally, TAHC's human resources department obtained the separation checklists, but it did not review them for completeness and accuracy. While TAHC was able to provide property transfer report forms for some of the assets of separated employees, as discussed above, not consistently completing and maintaining the required asset documentation increases the risk that assets may not be returned. Specifically, for the 46 separations from September 2023 through February 2025:

- **Manager's Separation Checklist.** For 12 (26 percent) separations, TAHC did not complete all required sections of the checklist and for another 8 (17 percent) separations, TAHC did not maintain the checklist.
- **Property Transfer Report.** For 3 (7 percent) separations, TAHC did not complete or maintain property transfer report forms. Additionally, for 6 (13 percent) separations, TAHC did not maintain the list of assets assigned to the separated employee at the time of separation; therefore, auditors could not determine if all the required property transfer report forms were completed as required.

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## Recommendations

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TAHC should develop and implement a process to verify that:

- The manager's separation checklist is appropriately completed and signed by the manager during an employee's offboarding from the agency.
- A property transfer report is completed and retained for returned assets.

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## Management's Response

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**Recommendation 2A-1: Ensure manager's separation checklist is appropriately completed and signed during offboarding.**

**Management Response:** TAHC agrees with this recommendation.

**Responsible Official:** Director of Human Resources

**Timeline for Implementation:** December 31, 2025

**Corrective Action Plan:** TAHC will revise its inventory policies to require managers to complete and sign all sections of the Manager's Separation Checklist upon an employee's separation. The Human Resources department will implement a review process to verify the completeness and accuracy of the Manager's Separation Checklist.

**Recommendation 2A-2: Ensure property transfer report is completed and retained for returned assets.**

**Management Response:** TAHC agrees with this recommendation.

**Responsible Official:** Director of Staff Services, Inventory and Records Retention Coordinator, all supervisors

**Timeline for Implementation:** December 31, 2025

**Corrective Action Plan:** TAHC will update its inventory policies to add oversight procedures to ensure the proper completion and retention of Property Transfer Reports for all returned assets. TAHC will also explore digital tracking options to streamline documentation and improve accessibility.

**MEDIUM**

## Chapter 2-B

## TAHC - Disabling of System Access

TAHC disabled information system access for separating employees. However, it should strengthen its documentation to record when and what access rights were removed to help ensure that user accounts are disabled in a timely manner and all information security requirements in the Texas Administrative Code are addressed.

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**TAHC disabled access to its systems for separated employees; however, it was not always timely.**

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As of April 2025, TAHC had disabled information system access for all 46 user accounts associated with employees who separated from the agency between September 2023 and February 2025. In addition, all but one of the active user accounts as of April 2025 were associated with a current employee.

However, TAHC did not always document when it deactivated the separated employees' access. Specifically, for 11 (24 percent) of the 46 separations tested that occurred between September 2023 and February 2025, TAHC did not disable the user access in a timely manner as required; access was disabled between 1 day and 61 days after separation. Additionally, for 27 (59 percent) of the 46 separations TAHC could not show when the employees' user access was disabled. According to the Department of Information Resources' *Security Control Standards Catalog*, system access should be terminated at the time of an employee's separation.

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## TAHC should strengthen its information technology policies and procedures.

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TAHC had limited documented information technology policies and procedures related to user access; those procedures did not address all requirements in Texas Administrative Code, Title 1, Chapter 202, which requires agencies to include elements of the Department of Information Resources' *Security Control Standards Catalog* (see text box). For example, TAHC's employee handbook outlined the information technology department's general responsibilities for disabling access, but it lacked detailed procedures for executing the task. Having more detailed policies and procedures could help TAHC ensure consistency in its offboarding activities.

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### Information Security Requirements

#### Texas Administrative Code (TAC)

According to Title 1, Chapter 202 of TAC, mandatory security controls shall be defined by the Control Standards (see below) document, which should include the minimum information security requirements for all state information, information systems, and applications.

#### Security Control Standards Catalog

PS-4: Personnel Termination – User access authorization shall be appropriately modified or removed when the user's employment or job responsibilities within the state agency change.

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## Recommendations

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TAHC should:

- Update its processes so that system access is removed within the required timeframes and retain supporting documentation of this removal.
- Develop, document, and implement policies and procedures that addresses all requirements in Texas Administrative Code, Title 1, Chapter 202.

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## Management's Response

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**Recommendation 2B-1: Ensure IT updates its process to show system access is removed in a timely manner and provide documentation to verify.**

**Management Response:** TAHC agrees with this recommendation.

**Responsible Individual:** Director of Information Technology.

**Timeline for Implementation:** December 31, 2025

**Corrective Action Plan:** TAHC current ticketing system format allows for removal of access; however, this format does not show completely when that access was removed. This process also did not have sufficient controls in place to alert IT Administrators that the ticket needed attention to close when all tasks were completed by all assigned individuals. The ticketing process also was set up for offboarding and the users document retention process in the same ticket. The document retention process needs to be separated to allow managers more time to review all documents and emails.

TAHC will revise its ticketing format to show each step in the offboarding checklist, date of completion, and verification of the removal of access for ease of management review. TAHC will also revise the current process and separate off-boarding process and records retention process, so managers have appropriate time to review departing employee email and files for use by the agency.

**Recommendation 2B-2: Ensure development, documentation and implementation of policies and procedures that address all requirements in TAC, Title 1, Chapter 202.**

**Management Response:** TAHC agrees with this recommendation.

**Responsible Individual:** Director of Information Technology

**Timeline for Implementation:** December 31, 2025

**Corrective Action Plan:** TAHC will update all policies and procedures to address all requirements in TAC Title 1 Chapter 202.

TAHC will enhance internal coordination between Human Resources, Staff Services, and supervisors to ensure timely offboarding, even in cases of sudden separation. Executive management will support training and policy enforcement to ensure consistent compliance across all regions and duty stations. TAHC will continue to monitor asset recovery timelines and explore operational solutions for transporting large or remote equipment more efficiently. TAHC will enhance its electronic document retention process by allowing more time for managers to review the users' files as well as provide a ticketing system that sets the timeline for completion.





## Appendix 1

### Objective, Scope, and Methodology

#### Objective

The objective of this audit was to determine whether the selected state agencies had processes and related controls for offboarding personnel in accordance with applicable requirements.

#### Scope

The scope of this audit includes the Texas Workforce Commission's (TWC) and the Texas Animal Health Commission's (TAHC) offboarding processes related to (1) terminating access to information technology resources and (2) the collection of state-owned property for separated employees/external parties, from September 1, 2023, through February 28, 2025.

The scope also included a review of significant internal control components related to the offboarding processes at TWC and TAHC.

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



- Serra Tamur, MPAff, CIA, CISA, CFE (Project Manager)
- Jacqueline Thompson, CIA, CFE (Assistant Project Manager)
- Becki Franklin, CISA, CFE, CGAP, CICA (Assistant Project Manager)
- Makena Kang
- Josh Tsao
- Alariyah Burr
- Michelle Ann Duncan Feller, CPA, CIA (Quality Control Reviewer)
- Becky Beachy, CIA, CGAP (Audit Manager)

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## Methodology

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We conducted this performance audit from February 2025 through July 2025 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. In addition, during the audit, matters not required to be reported in accordance with *Government Auditing Standards* were communicated to TWC and TAHC management for consideration.

### Addressing the Audit Objective

During the audit, we performed the following:

- Interviewed staff at TWC and TAHC to gain an understanding of the offboarding processes for its personnel, including the internal controls and information that support those processes.
- Identified the relevant criteria:
  - The Department of Information Resources' *Security Control Standards Catalog*, version 2.1.
  - Each agency's offboarding policies and procedures effective during the audit scope.
  - Texas Administrative Code, Title 1, Chapter 202.
- **TWC**
  - Performed data analysis on active information system accounts to determine whether only current employees have access.
  - Tested a nonstatistical random sample of 40 of 986 separated employees and 20 of 543 separated contract and temporary employees to determine whether TWC complied with its policies and procedures and applicable regulations for returning state assets and whether information technology access was disabled at the time of separation. This method of sampling was chosen to ensure proportionate coverage of both TWC employees and contract and

temporary employees. It would not be appropriate to project the test results to the population.

- **TAHC**

- Performed data analysis on active information system accounts to determine whether only current employees have access.
- Tested all 46 employee separations to determine whether TAHC complied with its policies and procedures and applicable regulations for returning state assets and whether information technology access was disabled at the time of separation.

### Data Reliability and Completeness

To determine data reliability and completeness, auditors (1) observed each agency's extraction of requested data populations, (2) reviewed data queries and report parameters, (3) analyzed the populations for reasonableness and completeness, and (4) conducted testing of active directory user access.

Auditors determined that the following data sets were sufficiently reliable for the purposes of the audit:

- Population of separated TWC (1) employees and (2) contract and temporary employees between September 1, 2023, and February 28, 2025.
- Population of separated TAHC employees between September 1, 2023, and February 28, 2025.
- Population of employees with access to TWC's and TAHC's active directory and other systems, as applicable.
- Population of employees with active badge access at TWC.

### Report Ratings

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.



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The Honorable Dustin Burrows, Speaker of the House, Joint Chair

The Honorable Joan Huffman, Senate Finance Committee

The Honorable Robert Nichols, Member, Texas Senate

The Honorable Greg Bonnen, House Appropriations Committee

The Honorable Morgan Meyer, House Ways and Means Committee

## **Office of the Governor**

The Honorable Greg Abbott, Governor

## **Texas Workforce Commission**

Members of the Texas Workforce Commission

Mr. Ed Serna, Executive Director

## **Texas Animal Health Commission**

Members of the Texas Animal Health Commission

Dr. Lewis R. Dinges, State Veterinarian and Executive Director



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