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**An Audit Report on the Management Controls
<u>at Department of Public Safety</u>**

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Key Points of Report

An Audit Report on Management Controls at the Department of Public Safety

August 1998

Overall Conclusion

Business practices supporting the delivery of public safety need significant improvement. Automation and management of information have significant weaknesses. Oversight, strategic planning, and financial information need improvement. This audit focused on matters related to managing the Department of Public Safety (Department) rather than police practices related to providing public safety.

The Department would benefit from a comprehensive evaluation of its business efforts in light of these issues: the significant length of time since the Department's last comprehensive review of its organizational structure in 1957, management control weaknesses described in this and previous audits, and the Department's increased responsibilities. These issues challenge the Department's ability to provide efficient and effective public safety.

Key Facts and Findings

- Mission-critical information systems are at high risk for failure due to Year 2000 conversion problems. At risk are law enforcement systems that contain sensitive information such as criminal histories, drivers license records, motor vehicle theft records, and telecommunications. Contributing to this risk are the loss of expertise due to employee turnover and delayed efforts to address Year 2000 issues. Also, cost estimates far exceed the Department's available funding of $12 million for the Year 2000 problems. One consultant estimated the cost for remediation between $20 million to $40 million.

- Key oversight processes have weaknesses that limit the Department's ability to identify and solve its own problems. The internal audit function is ineffective. Internal Affairs and the Inspection and Planning Service need improvement.

- The Department is not taking advantage of the benefits of a strategic planning process. Strategic planning is not ongoing, and action plans are not documented. The Department's plan does not include input from the public or other agencies. Poor planning can result in higher expenses or hamper future accomplishments.

- There were 50 instances of budget variances exceeding $100,000 in a fiscal year 1997 Budget Summary Report. The Department does not formally document explanations when expenditures significantly vary from the Commission-approved operating budget. Overall, the ability of the Commission and executive management to manage expenditures throughout the year depends on meaningful comparisons of budgets to actual expenditures, including written explanations when variances exist.

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This audit was conducted in accordance with Government Code, Section 321.0133.

Executive Summary

Business practices supporting the delivery of public safety need significant improvement. Automation and management of information have significant weaknesses. Oversight, strategic planning, and financial information need improvement. This audit focused on controls related to managing the Department of Public Safety (Department) rather than police practices related to providing public safety.

The Department would benefit from a comprehensive evaluation of its business efforts in light of these issues: the significant length of time since the Department's last comprehensive review of its organizational structure in 1957; management control weaknesses described in this and previous audits; and the Department's increased responsibilities. These issues challenge the Department's ability to provide efficient and effective public safety.

Business Practices Supporting the Delivery of Public Safety Need Significant Improvement

Year 2000 Conversion Problems and Weaknesses in Automation Are Significant and Could Disrupt Public Safety Services

- Mission-critical information systems have high risk of failure due to Year 2000 conversion problems. At risk are law enforcement systems that contain sensitive information such as criminal histories, drivers license records, motor vehicle theft records, and telecommunications. Contributing to this risk are the loss of expertise due to employee turnover and delayed efforts to address Year 2000 issues. Also, cost estimates far exceed the Department's available funding of $12 million for the Year 2000 problems. One consultant estimated the cost for remediation between $20 million to $40 million. The Department plans to focus on Year 2000 issues and put other automation projects that are in development on hold. Management indicates that this freeze may continue until June 2000.

- Reevaluate policies affecting salaries for information technology personnel. An analysis of 40 information technology job classifications in the State's Human Resource Information System (HRIS) revealed that 85 percent of the Department's average salaries ranked below the median. The Department's turnover rate for information technology professionals (23.4 percent) was higher than the statewide rate (19.7 percent) for fiscal year 1997.

- Improve information resource contract development and monitoring. The Department does not have agencywide guidelines or a process for developing and administering information systems contracts. An estimated $12.8 million of information resource goods and services will be procured during fiscal year 1998.

- Data entry backlogs affect timeliness of Traffic Law Enforcement information. In February 1998, some District Offices were up to six months behind entering traffic citations.

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As a result, the Department used estimates rather than actual values for certain 1997 output measures. Unless current data is maintained in the system, officers in the field, insurance companies, people performing background checks, and others will be unable to obtain current and complete drivers license information.

Key Oversight Processes Have Weaknesses That Limit the Department's Ability to Identify and Solve Its Own Problems

- Improve an ineffective internal audit function by complying with the Internal Auditing Act. The Department's internal audit function lacks the reporting relationship, resources, and management support necessary to comply with statutory requirements and achieve effective performance. Collectively, management, the Internal Audit Department, and the Public Safety Commission (Commission) have not taken steps to fully understand and ensure compliance with appropriate statutes and professional standards. An effective internal audit function could have identified and resolved most of the findings in this and previous State Auditor reports.

- The Department does not fully benefit from an independent Internal Affairs section. Internal Affairs lacks adequate independent authority to request initiation of investigations. Executive management or the Public Safety Commission decides whether Internal Affairs becomes involved. Complaints or investigations may be investigated by people who are not Internal Affairs investigators. We identified one instance where management, rather than internal affairs, investigated a complaint about another member of management.

The Department's Limited Use of Strategic Planning May Hamper Future Accomplishments

The Department is not taking advantage of the benefits of a strategic planning process. Strategic planning is not ongoing, action plans are not documented, and the Plan does not include input from the public or other agencies.

Weaknesses Exist in the Budgeting Process, and There Is Noncompliance With Statutory Requirements Related to Timely Invoice Payment and Reconciliation of Accounting Records

Accounting and Budget Control does not document explanations when expenditures significantly vary from the Commission-approved operating budget. The Department indicates that expenditure analysis does occur; however, it is informal rather than written and comprehensive. For fiscal year 1997 expenditures, 32 percent of internal budgetary units (50 of 155) had variances exceeding $100,000 in a Total Budget Summary Report dated March 6, 1998. Overall, the ability of the Commission and executive management to efficiently identify unusual spending patterns or otherwise manage expenditures throughout the

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year depends on meaningful comparisons of budgets to actual expenditures, including written explanations when variances exist.

The Department indicates that on average it pays its invoices in about 40 days, or 10 days past the statutory requirement of 30 days. As of March 1998, the Department had not reconciled its accounting records with the State Comptroller's Uniform Statewide Accounting System (USAS) since July 1997. As a result, the Department's financial information has a high risk of undetected errors and makes its unaudited Annual Financial Report unreliable. Statutes require agencies to perform this reconciliation task.

The Crime Laboratory's Management Controls Are Good, But the Department Can Destroy Unneeded Drug Evidence in Accordance With Statutes

A tour of drug evidence vaults revealed that the Department is not destroying excess drug evidence as authorized by the Texas Controlled Substances Act.

The Department Can Increase Reappropriated Collections By More Than $500,000 By Increasing Restitution Fees Related to Texas Controlled Substances Act Violations

The Department is charging partial rather than full restitution fees as authorized by the Texas Controlled Substances Act (Act). For fiscal year 1997, the Department received over $700,000 from restitution authorized by this Act. A precise estimate is not available, but every $100 increase in

the restitution fee could generate an estimated $500,000 in additional revenue.

The Department Needs A Comprehensive Evaluation of Its Business Processes to Prepare for the Twenty-First Century

The last comprehensive evaluation of the Department's organizational structure was in 1957. The results of a 1957 study commissioned by the Texas Legislature and completed by the Texas Research League led to a complete reorganization of the Department at the time. In 1991, the State Auditor's Office recommended that the Department provide a review process for its organizational structure. This recommendation has not been implemented.

Significant management control issues have been identified in this and previous State Auditor reports. This and previous reports identified weaknesses in key accountability control systems related to policy, performance, information, and resource management. These management controls provide the necessary support for operations to efficiently and effectively carry out the Department's mission.

State and federal legislation continually expands the Department's public safety and crime fighting responsibilities. The legislation reflects increasing concerns about specific crimes, population growth, more highway traffic, and economic factors such as the North American Free Trade Agreement (NAFTA). These additional

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responsibilities also significantly increased the Department's information management responsibilities.

The purpose of a business process-reengineering project is to help organizations fundamentally rethink how they do their work in order to dramatically improve operations. This involves agency activities such as identifying customer needs and performance problems, reassessing strategic goals, defining reengineering opportunities, controlling risks and maximizing benefits, managing organizational changes, and successfully implementing new processes.

The Department provides many successful law enforcement services (see Appendix 2). This audit focused on controls related to managing the Department rather than to police practices related to providing public safety.

Objective and Scope

Our audit objective was to evaluate the existing management control systems at the Department of Public Safety and identify both strengths and opportunities for improvement. We evaluated these control systems to determine whether they provide reasonable assurance that the Department's objectives will be accomplished. The evaluation was based on the control systems in place as of February 1998.

The scope of this audit included the Department's overall management control systems: policy management, information management, resource management, and performance management. The audit scope included management controls relevant to all divisions within the Department.

Summary of Management's Responses

The Department of Public Safety management generally agrees with our recommendations. Corrective action is underway on several of them.

Overall Conclusion

Business practices supporting the delivery of public safety need significant improvement. Automation and management of information have significant weaknesses. Oversight, strategic planning, and financial information need improvement. This audit focused on controls related to managing the Department of Public Safety (Department) rather than police practices related to providing public safety.

The Department would benefit from a comprehensive evaluation of its business efforts in light of these issues: the significant length of time since the Department's last comprehensive review of its organizational structure in 1957; management control weaknesses described in this and previous audits; and the Department's increased responsibilities. These issues challenge the Department's ability to provide efficient and effective public safety.

Business Practices Supporting the Delivery of Public Safety Need Significant Improvement

Section 1:
Year 2000 Conversion Problems and Weaknesses in Automation Are Significant and Could Disrupt Public Safety Services

Section 1-A:
Mission-Critical Information Systems Have High Risk of Failure Due to Year 2000 Conversion Problems

At risk are law enforcement systems that contain sensitive information about public safety and criminal activity, such as criminal histories, drivers license records, motor vehicle theft information, and telecommunications (see Table 1). Contributing to this risk are the loss of expertise due to employee turnover and delayed efforts to address Year 2000 issues. Also, cost estimates far exceed the Department's available funding of $12 million for the Year 2000 problems. One consultant estimated the cost for remediation between $20 million to $40 million.

The Department plans to focus on Year 2000 issues and put other automation projects that are in development on hold. Management indicates that this freeze may continue until June 2000.

Table 1

Mission-Critical Information Systems, by Priority - Department of Public Safety		
Higher priority systems – **Focus of Year 2000 remediation efforts**	**Lower priority systems –** **Year 2000 Compatibility less likely**	
Texas Law Enforcement Telecommunications System	Emergency Management Services	Uniform Crime Reporting
Texas Crime Information Center	Narcotics	Controlled Substance Registration
Computerized Criminal History Records	Motor Vehicle Theft	Triplicate Prescription
Drivers License systems	Internal Affairs	Vehicle Inspection reports
Fund Accounting	Missing Child/Persons	

Source: Department of Public Safety

Outside consultants and the Department of Information Resources have described the Year 2000 problem at the Department as follows:

- An outside consultant reported to the Department on February 11, 1998, that "without taking proactive steps to resolve the embedded date exposures and code obsolescence issues, many of the automated information systems supporting the State of Texas Department of Public Safety will fail on or before January 1, 2000. These major information management applications and other potential failures will likely create a disruption in operations and delivery of Texas DPS' statewide public safety services."

- The Department of Information Resources (DIR), in a January 22, 1998, letter to the Department, stated that "Based on the information currently available, the DIR Project Office assessment of your current status is AT RISK. We are concerned that the Project may not be completed in time to avoid disruption in some of the DPS functions that are critical to Texas state government."

- Another outside consultant ranked the Department as one of the top five critical agencies in Texas in a March 14, 1997, report. The consultant reported that the Department had not "completed a detailed assessment of their Year 2000 situation, and does not have an agency wide project plan and work breakdown structure for completing its Year 2000 work effort."

The Department received information on Year 2000 issues from DIR more than 30 months ago, and the Department has continued to receive updates. DIR created an awareness of Year 2000 issues as early as August 1995 by alerting all state agency information resource managers. In March 1996, DIR briefed the Legislature, chief executive officers, and chief financial officers for all state agencies. In June 1996, DIR published Year 2000 rules and guidelines.

Until May 1998, the Department did not have a complete documented inventory of its automation systems. The inability of the Department to accurately assess a current inventory of systems hampered Year 2000 planning and inhibited accurate tracking of information resources expenditures.

In order to focus resources on Year 2000 issues, the Department froze development of new applications. The Department faces an unusual dilemma with the application development freeze. Some portion of the freeze is necessary as part of the desired remediation process to address Year 2000 issues. However, if other critical systems in development are delayed more than two years, a significant risk exists that incomplete projects may become obsolete. A number of factors, some outside the control of the Department, create this risk. These factors include employee turnover, changing technology, and changing customer needs.

Year 2000 conversion problems are not unique to the Department. DIR monitors and reports on all state agencies that have a potential for service disruption. The *Wall Street Journal* reported that consultants estimate costs between $115 billion and $670 billion to fix Year 2000 problems for United States companies. Also, the Securities and Exchange Commission published new rules that require companies facing substantial costs of upgrading their systems to report their estimated costs of Year 2000 remediation.

Recommendation:

We recommend that the Public Safety Commission continue to monitor the Department's resolution of Year 2000 conversion problems, including preparation and documentation of contingency plans to deal with possible service interruptions related to mission-critical information systems. The Public Safety Commission should also monitor the effects of delaying other systems to reduce the risk of loss from an application development freeze.

Management's Response:

The Public Safety Commission will comply with these recommendations. A documented contingency plan acknowledging potential for service interruption of information systems is targeted for completion on or before January 1999. Contingency plan goals, tasks, implementation timelines and assignment of organizational responsibility for completion will be submitted by Department management to the Commission for approval by September 1998.

The Department's application development freeze relates to focusing resources at appropriate times on specified Year 2000 remediation priorities. This strategy further includes continuing application development work and legacy system maintenance at various times resources are available that are not focused on Year 2000 issues. The Public Safety Commission will periodically be given status reports on this topic.

Reevaluate Policies Affecting Salaries for Information Technology Personnel

An analysis of 40 information technology job classifications in the State's Human Resource Information System (HRIS) revealed that the Department's average salaries ranked below the median for 34 (85 percent) of the classifications examined. The Department's turnover rate (23.4 percent) for information technology professionals was higher than the statewide rate (19.7 percent) for fiscal year 1997.

During our fieldwork, the Department began developing an agencywide plan to address issues related to information technology personnel, including reorganization and salary adjustments.

Recommendation:

We recommend that the Department continue to reevaluate existing employment practices for information technology personnel:

- Review the Department's current salary structure and available options within the Statewide Classification System.

- Consider non-monetary options that may help retain information technology professionals. One study indicated that training, flexible hours, better equipment, and job titles were all important to over half of the programmers responding to a survey.

- Monitor employee turnover rates and continue reporting results to the Public Safety Commission.

- Develop contingency plans to continue service delivery in the event of continued high employee vacancy rates.

Management's Response:

The Department will comply with these recommendations. All information technology position salaries have been increased from the beginning of the salary range for classifications to at least salary midrange. As a result, a May 1998 DPS information technology "job fair" allowed 28 information technology employees to be hired after interviewing 295 applicants. Additionally, all Department information technology resources have been consolidated and organizationally placed on the Director's staff.

Non-monetary options to enhance hiring and retention will continue to be evaluated and implemented as appropriate.

The Public Safety Commission will periodically be given status reports regarding information technology employee turnover rates.

A Department contingency plan to support continued service delivery in the event of high employee turnover rate will be completed on or before January 1999. Goals, tasks, implementation timelines and assignment of organizational responsibilities for completion will be identified and approved by Department management by September 1998.

Section 1-C:
Improve Information Resource Contract Development and Monitoring

The Department does not have agencywide guidelines or a process for developing and administering information system contracts. Each division of the Department develops and administers contracts for its own information resource systems. An estimated $12.8 million of information resource goods and services will be procured in fiscal year 1998.

During a three-year period (fiscal years 1995 through 1997), the Traffic Law Enforcement (TLE) Division reported that $630,757 was paid to a single contractor for developing and training on the Automated Information System (AIS) database. This project did not have a formal statement of work, and the contractor was paid on a monthly "level of effort" basis with no defined deliverables.

The AIS is the principal source of information for the TLE Division. The system is without the benefit of an in-house database administrator and system documentation. Currently, a contractor provides the necessary expertise to run AIS. However, in the contractor's absence, knowledge of AIS design, security, and maintenance would be lost. Without documentation, the Department risks higher costs to operate the AIS.

The Department's decentralized approach to systems planning and development increases the risk that:

- Opportunities to bring agencywide expertise (legal, budget, and automation) into the development of lengthy, high-dollar contracts will be missed.

- Goods and services received may not meet the intention of the procurement, or may exceed the planned cost.

The Department's restructuring of Information Management Services, which began January 1, 1998, should help alleviate this concern.

Recommendation:

We recommend the Department develop an agencywide process for developing and monitoring contracts involving automation.

We recommend contracting, hiring, or assigning a person with appropriate skills to serve as the database administrator. Also, complete the documentation of AIS. This would allow the TLE Division to retain the expertise required to understand and operate AIS.

Management's Response:

A pilot contract management process has been implemented for the Department's Automated Fingerprint Identification System vendor. After refinement, this oversight process will become agency policy for all major information resource contracts.

Hiring of a Department AIS database administrator and completion of AIS system documentation is targeted for implementation on or before January 1999. Status reports regarding these tasks will be submitted periodically to Department management in order to track previously assigned organizational responsibilities for timely completion.

Section 1-D:
Data Entry Backlogs Affect Timeliness of Traffic Law Enforcement Information

Due to a data entry backlog, the Department used estimates rather than actual values for certain 1997 output measures. In February 1998, some District offices were up to six months behind entering data on pendings, dispositions, and warnings. The Department indicated that, as of April 1998, most data entry for fiscal year 1997 was completed (except for dispositions of tickets) and the remaining data would be entered by August 1998. Fiscal year 1998 information will not be entered until the backlog is eliminated. Backlogs in entering data into the system hinders the Department's ability to provide accurate, timely, or meaningful performance measurement.

The backlog in dispositions prevents updating drivers license data in the system. The backlog in dispositions means that officers in the field, insurance companies, people performing background checks, and others cannot obtain current and complete drivers license information from the AIS.

Recommendation:

We recommend that data entry be brought up-to-date and kept current.

Management's Response:

The Department will comply with this recommendation. With the exception of case dispositions, all 1997 Traffic Law Enforcement Division data entry was current as of April 1998. Case dispositions for 1997 will be in the data base by August 1998. It is estimated that all data entry for 1998 activities will also be current by August 1998.

Section 2:

Key Oversight Processes Have Weaknesses That Limit the Department's Ability to Identify and Solve Its Own Problems

The internal audit function is ineffective. An effective internal audit function could have identified and resolved most of the findings in this report and previous State Auditor reports. Other oversight processes (such as Internal Affairs and Inspection and Planning) and management information provided to the Public Safety Commission (Commission) also need improvement.

Section 2-A:

Improve an Ineffective Internal Audit Function by Complying With the Internal Auditing Act

The Department's internal audit function lacks the reporting relationship, resources, and management support necessary to comply with statutory requirements and achieve effective performance. Collectively, management, the Internal Audit Department (Internal Audit), and the Commission have not taken steps to fully understand and ensure compliance with appropriate statutes and professional standards. Additionally, the person in charge of Internal Audit did not receive a performance evaluation during his tenure with the Department.

Limitations on the internal audit function create the following:

- The Public Safety Commission lacks independent information to help it oversee and evaluate the Department's operations. The Commission consequently retains higher-than-necessary risk in performing its oversight role.

- Department management does not benefit from potentially valuable information that Internal Audit can provide to improve operations.

Prior to this audit, the reporting relationship of Internal Audit was inappropriate. Management did not follow the Department's policy requiring Internal Audit to report directly to the Commission. Communications were routed through the Executive Director's office to the Commission. During our audit, Internal Audit began independently reporting directly to the Chairman of the Commission.

The following conditions indicate that management support for staffing of Internal Audit may be inadequate:

- Internal Audit completed less than 15 percent (3 of 23) of the high-risk audits in its fiscal year 1997 audit plan. Audits related to the Year 2000 conversion, budgeting, and purchasing did not occur.

- A 1992 peer review of Internal Audit reported that staffing levels should be reevaluated. Since 1992, no new audit positions have been added despite an increasing need for reviews.

  Statutes provide that the "state agency shall employ additional professional and support staff the administrator determines necessary to implement an effective program of internal auditing" (Texas Internal Auditing Act, Section 2102.006).

- Internal Audit does not have a separate budget, but rather is funded as part of the overall budget for the Executive Director's staff.

Despite at least three requests over a six-month period, management did not provide needed input into the internal audit plan for fiscal year 1998. The audit plan is based on an annual risk assessment of possible audits. Without management's input, the Commission cannot be assured that high-priority audits are included. Inadequate management input also results in Internal Audit ineffectiveness and statutory noncompliance.

In April 1998, executive management requested assistance from the State Auditor's Office to begin the creation of an effective internal audit function.

Recommendation:

We recommend that the Commission and the Department improve the effectiveness of the internal audit function by accomplishing the following:

- Ensure that the internal audit scope includes "periodic audits of the agency's major systems and controls, including accounting systems and controls, administrative systems and controls, and electronic data processing systems and controls" as required by statute (Government Code Section 2102.005). The Commission may also wish to require appropriate security clearance for new internal audit hires to facilitate access to all sensitive information maintained by the Department.

- Provide a separate budget for Internal Audit.

- Reevaluate current auditor staffing needs, including the need for a Director of Internal Audit.

- Require meaningful input from management regarding the annual risk assessment and audit plan. This will assist the Commission with its oversight role.

- The Commission, with management's assistance, should evaluate the Director of Internal Audit each year.

- Management training should include topics on internal audit and management controls.

Management's Response:

The Commission and the Department are presently implementing these recommendations. A Director of Internal Audit position has been created and a qualified individual employed. The Director of Internal Audit will receive instruction concerning the following:

- *Provide the Commission an evaluation of internal audit staffing needs.*

- *Establish an internal audit budget for fiscal year 1999.*

- *Cause the internal audit program to remain in full compliance with Government Code 2102.005.*

- *Solicit meaningful input from the Department for each annual internal audit risk assessment for use in development of audit plans. The Commission and the Department will support the Director of Internal Audit in this endeavor.*

The Commission will document an annual performance evaluation for the Director of Internal Audit and require that future management training include topics related to internal audit and management controls.

Section 2-B:
The Department Does Not Fully Benefit From an Independent Internal Affairs Section or the Investigative and Complaint Information It Maintains

The following conditions limit Internal Affairs' effectiveness:

- Internal Affairs lacks adequate independent authority to request investigations of complaints. According to the Department's complaint and grievance procedures, Internal Affairs needs a request from the Colonel, Lieutenant Colonel, or Public Safety Commission to initiate an investigation.

- Internal Affairs' involvement is required only when a firearm discharge results in an injury or death. All other complaints or allegations may be investigated by persons who are not Internal Affairs investigators. Executive

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management decides whether Internal Affairs becomes involved. We identified one instance where management, rather than Internal Affairs, investigated a complaint against another member of management.

Police experts suggest that, "to a large degree, the public image of the agency is determined by the quality of the internal affairs function in responding to allegations of misconduct by the agency or its employees."[1]

Recommendation:

We recommend the Commission, with advice from the Department, establish rules for Internal Affairs that would expand its authority to initiate a request to the Commission and Colonel for authorization to investigate a complaint.

We recommend that Internal Affairs, subject to approval by the Commission, propose policy that would identify allegations or complaints which should be investigated by Internal Affairs.

Management's Response:

The Commission will comply with these recommendations. This will not include allowing Internal Affairs to operate independently without oversight from any source. Specifically, Internal Affairs may initiate a request to the Commission or the Director's Office for authorization to investigate a complaint, but may not proceed without such authorization. The level of oversight thereafter will depend upon the nature of the investigation.

Policy amendments concerning Internal Affairs' authority to initiate an investigation and concerning allegations that should be investigated by Internal Affairs will be identified by Department management and approved as necessary by the Commission.

Section 2-C:
Internal Affairs Should Report Summary Information to the Public Safety Commission

Internal Affairs does not routinely provide summary information to the Commission. As a result, Commissioners may not get an overview of the types of investigations and complaints involving the Department's employees.

Internal Affairs should not report investigation details to the Commission due to a potential legal conflict (referred to as "ex parte" briefings) should an employee appeal

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[1]From the *Standards For Law Enforcement Agencies*, Chapter Five; Commission on Accreditation for Law Enforcement Agencies, Inc. Third Edition, 1994.

a personnel decision to the Commission. However, summary information should be reported (See recommendation for examples of summary information). Internal Affairs reports to and is directly responsible to the Director's Office.

Analysis of complaint history indicates that about half of the allegations against commissioned officers (89 of 176) involved circumvention of procedures (see Table 2).

Table 2

Summary of Sustained Allegations on Commissioned Officers July 1, 1996, through June 30, 1997 Department of Public Safety		
Description	Number	Percentage
Circumvention of Procedures	89	50
Insubordination, or Conduct Unbecoming	25	14
Inappropriate Behavior	15	9
Rude Behavior	10	6
Abuse of Power, Duty Violation	9	5
Tampering With Government Documents	9	5
All Others	19	11
Totals	176	100

Source: Department of Public Safety

Note: The 176 allegations involve a total of 82 sustained complaints against individual officers. Each complaint may contain one or more allegation.

Recommendation:

We recommend Internal Affairs report appropriate information directly to the Commission. This information would include only summaries of complaints and investigations, thus protecting complainants' and employees' anonymity. Information should include the number and type of complaints, and information on the age of ongoing investigations.

Management's Response:

The Department will comply with these recommendations. A summary reporting format will be created, approved and implemented upon completion of the Internal Affairs automated database during September 1998.

Section 2-D:

Internal Affairs Lacks the Capability to Analyze Complaint Histories and Report Trends

Internal Affairs does not analyze trends in police behavior revealed from investigations and complaints. This information could be used to determine preventive measures or actions. Internal Affairs keeps detailed statistics on complaints and shootings and, until recently, manually kept statistical summaries, which is labor intensive. Transition to an automated database remains incomplete since the departure of the consultant involved with the project. Reports based on the information contained in the database are not yet possible.

Tracking police behavior by complaints and investigations provides many benefits to the public and the Department. Behavioral trends can be identified and corrective action taken to protect the Department, its officers, and the public. When trends are identified, appropriate training and counseling can be implemented to properly address situations before they become systemic. An effective review process would deter future malpractice. If officers learn what mistakes they are making in a positive, corrective atmosphere, they tend to change their behavior to avoid repeating the mistake.

Recommendation:

We recommend that the Department complete implementation of an automated database that enables access to useful information regarding trends in officer behavior. Internal Affairs should report its recommendations or findings to management and the Commission on how to improve policies, training classes, and counseling programs.

Management's Response:

The automated database conversion will be completed during September 1998. The summary information generated by this system will be used as recommended for improvement of related programs and training or counseling.

Section 2-E:

The Inspection and Planning Service Is Invaluable to the Department, But It Can Make Some Improvements

The Inspection and Planning Service (Inspection and Planning) is a success story within the Department. Its reports were comprehensive and well prepared, and they contained valuable information for the Department. During 1997, the Department's Inspection and Planning Service provided consultation and served as a model for another state. However, during this audit, we identified some opportunities for improvement.

Inspection and Planning should report directly to executive management and in summary to the Commission. A February 1997 follow-up report by Inspection and Planning on the Crime Records Service (part of the Administration Division) indicated that findings originally reported in 1987 had not been adequately addressed. Both services (Crime Records and Inspection and Planning) report to the Administration Division. This indicates that Inspection and Planning may not have the independence to fully report on the Administration Division as a whole. Also, the current reporting relationship creates a risk of lack of oversight for issues within the Administration Division.

A review of organizational charts of 45 state police agencies disclosed that at least 27 of the agencies had inspection functions. Of these 27 state police agencies with inspection functions, 21 (78 percent) reported directly to executive management. In 1978, the Texas Research League, in a limited study on the Department's organizational issues, recommended that Inspection and Planning report to executive management. The Department chose not to make this change.

Enhance the financial expertise of Inspection and Planning on financial projects. Inspection and Planning lacks the overall financial knowledge, skills, and abilities to fulfill responsibilities related to financial analysis of the Department's performance. None of the Inspection and Planning staff members has extensive experience in accounting or auditing. On financial-related projects, Inspection and Planning could add value to its service by including accountants or auditors with management auditing experience.

For example, an Inspection and Planning report conclusion (December 1997) did not address issues related to rising fleet costs, and therefore, provided a conclusion that may be misleading. The Inspection and Planning report concluded that "This review indicates that Fleet Operations is functioning at a very acceptable level." The purpose of the review was to determine ways the Department can accomplish its mission in a more cost-efficient manner.

Subsequently during March 1998, the Department prepared a document titled "Department Priorities" that contradicted this conclusion by recognizing inflation as a significant impact: "When funding does not keep pace, it creates a cycle of an aging fleet, increased operating costs, and decreasing returns on used vehicle sales, due to higher mileage and age."

The Inspection and Planning report conclusion also differed substantially from knowledge gained by this audit team in cursory interviews and tour of Fleet Operations.

Recommendation:

- We recommend that Inspection and Planning report to the Director's office rather than to an intermediate level of management. We also recommend independent summary reporting directly to the Commission.

- We recommend that the Department increase financial knowledge, skills, and abilities within Inspection and Planning for financial projects. This can be accomplished by hiring employees with these skills, increasing training for existing staff, partnering with Internal Audit, hiring outside contractors, or temporarily borrowing accounting staff.

Management's Response:

- *The Department is currently undergoing Sunset Advisory Commission Review. This audit further recommends a business process reengineering study. Accordingly, this organizational change suggestion will be considered within the context of such review and analysis.*

- *The Department will comply with this recommendation by allowing Inspection and Planning to coordinate with Internal Audit on appropriate future endeavors.*

Section 2-F:
The Public Safety Commission Should Require Improved Reporting From Executive Management

Statutes charge the Commission with supervision of the Department's operation. Information packets prepared by management for Commission members had the following characteristics in a two-year reporting period (fiscal years 1996 and 1997):

- Annual budgets received approval, but monthly reports lacked detailed comprehensive budget information, including budget variances and overall budget status reports for each service within each major division.

- Reports generally did not address unmet funding needs, barriers to effective performance, or written recommendations to improve operations.

- The Department's Strategic Plan was approved, but there was no summary information on the achievement of the Strategic Plan or the related performance measures.

- A typical report by one division contained 20 narrative pages on activities with no summary or conclusion as to what the information meant.

- One division provided statistics on a monthly basis but never measured or compared performance against benchmarks or trends over time.

- There was no written report from the Executive Director.

Overall, despite capturing extensive information on operations, it is difficult to determine how well each service within each major division is performing. Much of

the Department's information does not exist in a single publication or in a format to facilitate performance evaluation by service. For instance, personnel hours and how they are spent by service is not reported. As a result, an analysis of personnel hours by service is not easily made.

Improving reporting of operational information, including performance measures, can benefit the Department in several ways:[2]

- Performance measures can help explain the need for and value of the Department's programs and facilitate appropriation decisions.

- Discussion of public policy issues are more likely to focus on results and be based on facts.

- Use of performance measures encourages adoption of desired goals by managers.

- External reporting of performance measures can stimulate and increase public interest and encourage government officials to provide quality services.

Also, improving performance measures for the Department is becoming more important due to federal requirements. In 1996, Congress required the U. S. Attorney General to provide a "comprehensive evaluation of the effectiveness" of over $3 billion in Department of Justice grants awarded annually to state and local law enforcement agencies and communities for preventing crime.

Commission members indicated they receive additional written information and oral briefings and have always received information specifically requested. However, after reviewing two years of the Commission's information packets, we could not easily determine how well the Department attained its fundamental mission, either at any point in time or through developing trends.

Recommendation:

We recommend that (1) the Public Safety Commission define its routine, ongoing information needs and (2) that management meet them. Improvements to the way the Commission receives its information are as follows:

- Develop a consistent, standardized reporting format for each service level within each major division of the Department to facilitate familiarity and performance comparisons over time. The reporting formats should include:

  - The status of significant challenges, related solutions, and important accomplishments for each service within each major division

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[2]*Service Efforts and Accomplishments Reporting: Its Time Has Come*; Police Department Programs; Governmental Accounting Standards Board, 1992.

- A reporting frequency (monthly, quarterly, annually) for each service level established by the Commission

- A report that is user-friendly and concise, with visual information where appropriate (charts, graphs, trend comparisons), along with summaries of narratives

- Direct executive management to report on its efforts in achieving policy directives adopted by the Commission, and report the status of compliance with key legislative requirements such as riders and relevant statutes.

- Furnish comprehensive financial data. This includes monthly financial statements, budget-to-actual comparisons with explanations of significant variances, and other objective data such as key statistics and performance measures for each service of each division of the Department.

We recommend the Department improve overall reporting of operational information including performance measures by service level of the Department. One option would be to use the Department's Annual Report to show how well each service performed in achieving the its overall mission.

Management's Response:

The Commission and executive management will define and implement information reporting as recommended through ongoing communication with Division Chiefs and their staff.

Section 3:

The Department's Limited Use of Strategic Planning May Hamper Future Accomplishments

The Department is not taking advantage of the benefits of a strategic planning process. The Strategic Plan offers important insight into matters that affect the Department's mission: the major cause of crime continues to be illicit drugs; alcohol abuse also is linked to an increase in violent crime. However, the following indicate shortcomings in the preparation and use of the Strategic Plan:

- Strategic planning is not ongoing. The Department spends about four months of every biennium preparing or updating its Strategic Plan, but does not periodically evaluate it to ensure that it is still appropriate.

- Management's informal written directives for the 1998 Strategic Plan update included "don't change anything that doesn't have to be changed." Successive Strategic Plans (1995-1999 and 1997-2001) are nearly identical with the exception of updated statistical and financial values. Management

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may not recognize the value of an ongoing strategic planning process as a useful tool for the Department.

- Much of the Strategic Plan discusses important factors such as technology, population, and the economy, but does not offer additional insight into how they will affect the Department over the next few years.

- Interviews with captains and supervising officers in field offices indicated that action plans are not documented. Action plans are specific steps based on the Strategic Plan; they are necessary to accomplish the objectives and strategies developed for the Department.

- The Department's Strategic Plan does not include input from the public, other law enforcement agencies, or other state agencies. The Department did indicate that customer input would be in the next Strategic Plan.

- The Strategic Plan is limited in how it documents the next five-year period. Statutes require strategic plans to cover a five-year period. The Department's Strategic Plan does include a summary of additional funding to address selected future needs such as capital items related to automation, transportation, and buildings. The Plan also indicates that the documented goals, objectives, and strategies are to cover a five-year period. However, the impact of the following on the Department's financial needs and resources are not in the Plan:

    - Most of the Department's spending is related to employees (about 69 percent), yet there is no indication of current, planned, or future staffing levels.

    - The Plan mentions the existence, but not the impact, of the North American Free Trade Agreement (NAFTA) on the License and Weight service of the Traffic Law Enforcement Division (TLE).

    - The Plan indicates that speeding and intoxicated drivers are major threats to highway users, but whether or how these will change is unclear as future projections are not included.

    - The importance of a continued effort to coordinate and communicate with other state agencies involving the education, engineering, and enforcement components of traffic safety is paramount, yet the Strategic Plan does not present data to indicate the relationships and how they change.

Historically, the Department responds to crises on a daily basis. Individual accidents, disasters, and crime incidents often require a quick response and short-term emergency action. In contrast, an effective strategic planning process requires a thoughtful, long-term outlook and vision of the future. Lack of planning can result in missed opportunities or ineffective allocation of resources.

Recommendation:

We recommend that management use the strategic planning process to increase the Department's ability to direct future outcomes, manage limited resources, and make decisions. Specifically, the Department should:

- Define, in objective terms, anticipated resources and staffing needs for the next five years for each strategy and for the overall Department.

- Include customer input.

- Develop a continuous planning process, which includes Plan evaluations and progress reports on its implementation.

- Create action plans to implement the Strategic Plan.

Management's Response:

The Department will comply with these recommendations with action plans and change implementation occurring as appropriate.

Section 4:
Weaknesses Exist in the Budgeting Process, and There Is Noncompliance With Statutory Requirements Related to Timely Invoice Payment and Reconciliation of Accounting Records

Section 4-A:
The Department's Executive Management and Commission Do Not Benefit From Reports of Comparative Analysis of Budgets and Expenditures

- Accounting and Budget Control does not document explanations when expenditures significantly vary from the Commission-approved operating budget. The Department indicates that expenditure analysis does occur; however, it is done informally rather than using a comprehensive and documented approach.

  Overall, the Commission's and executive management's ability to identify unusual spending patterns or otherwise manage expenditures throughout the year depends on meaningful comparisons of budgets to actual expenditures, including explanations when variances exist.

- For fiscal year 1997 expenditures, 32 percent of internal budgetary units (50 of 155)[3] reported had variances exceeding $100,000 (see Table 3).

Table 3

Number of Budget Variances Exceeding $100,000 Fiscal Year 1997 Department of Public Safety			
	Over Budget	Under Budget	Total
Salaries	3	13	16
Travel	0	1	1
Operating	11	9	20
Capital	7	2	9
Clothing	0	0	0
Miscellaneous	1	3	4
Total	22	28	50

Source: Department of Public Safety

- The Department's budget monitoring systems are numerous and redundant. Field personnel with budget authority develop their own monitoring systems rather than rely on information from departmental budget systems. The personnel developing these systems may lack the appropriate financial skills to prepare a monitoring system.

Data entry inefficiencies, override of data entry controls, and limited staffing contribute to budget process problems:

- Staff members manually correct data entry of accounting and budget information three times on different systems (referred to as M204, MSA, and USAS) rather than in a single process.

- The Department voluntarily turned off an automated, built-in control that verified availability of funding for each expenditure. The control automatically rejected expenditures if inaccurate coding occurred or if funding had already been consumed. As a result, employees spent valuable time locating funds to cover rejected expenditures or to correct data entry errors. To expedite data entry, the Department turned off the automatic control. Data entry for budgeting records have approximately 20 to 25 errors a month.

- The Department has a three-person budget staff for an agency with more than $300 million in appropriations, more than 7,000 employees, 374 internal

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[3]In a Total Budget Summary Report dated March 6, 1998

budgetary units, and 200 cost centers. Such a small staff may affect the Department's ability to satisfy budget responsibilities and good business practices. By comparison, other large agencies have more budget personnel (see Table 4).

Table 4

Comparison of Budget Staffing Levels			
Agency	FTEs on Budgeting Staff	FTEs per General Appropriations Act	Appropriations (in millions)
Department of Public Safety	3.0	7,026	$302
Average (Selected Agencies)	12.2	9,009	$1,762
Workforce Commission	9.0	5,512	$842
Department of Protective and Regulatory Services	10.0	6,257	$572
Department of Human Services	17.0	15,581	$3,537
Department of Transportation	15.0	14,721	$3,508
Natural Resource Conservation Commission	10.0	2,973	$353

Source: State Auditor's Office

Recommendation:

We recommend that the Department's Accounting and Budget Control:

•   Have the authority and responsibility to monitor and report expenditure activity against approved budgets, and report this information monthly as part of a public record for Commission and executive management use.

•   Explain in the monthly report expenditures that are significantly over or under budget.

•   Improve budget monitoring efficiency by developing an agencywide standard for budget monitoring and related training for field managers with budget responsibility.

Management's Response:

Authority and responsibility to monitor and report expenditure activity against approved budgets as part of a public record has been reaffirmed for Accounting and Budget Control. In addition, monthly expenditure reports will continue to be generated and reported to the Commission according to an agency wide standard for budget monitoring. During FY99, appropriate training will occur for managers with budget authority in order to improve budgeting efficiency.

The Department has modified budgeting procedures to create greater accuracy within budgetary units. Resource needs to continue improvement of budgeting processes will be considered as part of legislative appropriations requests.

Section 4-B:
Accounting Is Not in Compliance With Statutes Requiring Prompt Payment of Invoices and Timely Reconciliation With the Comptroller of Public Accounts' Accounting System

As of March 1998, the Department had not reconciled its accounting records with the Comptroller's Uniform Statewide Accounting System (USAS). Statutes require agencies to perform this reconciliation task, and the last time the Department did so was July 1997.

The staff members responsible for this reconciliation task left the Department. There is no documentation on the software program used for the reconciliation process, and employees were not cross-trained. Cross training would minimize disruption due to employee turnover. As a result, the Department's financial information has a high risk of undetected errors, and the unaudited Annual Financial Report is not reliable.

The Department indicates that on average it pays its invoices in about 40 days, or 10 days past the statutory requirement of 30 days. Accounting employees spend time unnecessarily handling vendors calling for payment status. Employee turnover, lack of cross training, and the fact that payment vouchers are not categorized by date contribute to the processing delay. The lack of timely expenditure information also hampers the Quality Assurance Team's oversight of automation expenditures as required by the Legislature.

Recommendation:

We recommend that the Department comply with applicable laws, including those related to prompt payment of invoices and reconciliation of accounting systems with USAS.

Management's Response:

The Department will comply with this recommendation for FY98. Resource needs to continue compliance with this recommendation with increasing workloads will be considered as part of legislative appropriations requests.

Section 5:
The Crime Laboratory's Management Controls Are Good, But the Department Can Destroy Unneeded Drug Evidence in Accordance With Statutes

Our audit indicates that crime laboratory management evaluates external, constructive criticism, and develops plans to address areas needing improvement. As a result, management's actions minimize the risk of mishandling

evidence in criminal cases, which improves the ability to provide public safety for the overall criminal justice process.

An excerpt of the accreditation report by the chair of the American Society of Crime Laboratory Directors (ASCLD) is as follows:

> We recognize that ASCLD accreditation is not easily accomplished, especially in a system the size and complexity of the Texas Department of Public Safety. It is the result of much preparation and the implementation of policies, procedures, and practices, which ensure work of the highest quality to those who you serve in the criminal justice system. It is a significant achievement for which the administration of the Texas Department of Public Safety, you and the staffs of each of the laboratories can rightfully be proud. Accreditation signifies that you have made a commitment to excellence in every aspect of your laboratory operations. On behalf of the board of directors, I extend sincere congratulations to you and your entire staff for their achievements.

In general, the Department does not appear to suffer from the problems identified at the Federal Bureau of Investigation's (FBI) crime laboratory. The problems of the FBI laboratory relate to lack of accreditation and other significant problems.

Destroy unneeded drug evidence in accordance with statutes. A tour of drug evidence vaults revealed that the Department is not destroying excess drug evidence as authorized by statute. The Texas Controlled Substances Act provides that a "law enforcement agency. . . may summarily destroy the property or plant without a court order before the disposition of a case" as long as the agency ensures that specific steps are taken. The statutory requirements include taking representative random samples and photographs, and determining the gross weight of the evidence. Records made under this section are admissible in the same manner and to the same extent as if the total quantity of the property or plant was offered in evidence, regardless of whether the remainder of the property or plant had been destroyed.

Recommendation:

- We recommend the Department continue to improve its crime laboratory, and continue participation in the laboratory accreditation process.

- We recommend that the Department address drug evidence storage issues by modifying policies and procedures to reflect statutory guidance on drug evidence, and destroy unneeded drug evidence. This includes communicating changes in evidence storage policies and practices to prosecuting attorneys.

Management's Response:

- *The Department will continue to comply with these recommendations.*

- *Department evidence storage problems are caused primarily by bulk amounts of marijuana. Although statute allows destruction of excess quantities, prosecutors and defense attorneys often object to this strategy.*

  Prosecutors and Department personnel will be contacted with the goal of allowing timely evidence destruction.

Section 6:

The Department Can Increase Reappropriated Collections by More Than $500,000 by Increasing Restitution Fees Related to Texas Controlled Substances Act Violations

The Department is charging partial rather than full restitution fees as authorized by the Texas Controlled Substances Act (Act). Violators of this Act may be required to pay restitution to the Department as a condition of their probation. The following describe related fees for which the Department may petition for restitution:

- Laboratory Analysis - The Department petitions courts for some of these costs; however, it has been six years since this fee was reviewed for reasonableness or costs recovered.

- Confiscation, Storage, Disposal and Other costs - The Department does not petition courts for these costs.

For fiscal year 1997, the Department received over $700,000 from restitution authorized by this Act. A precise estimate is not available, but every $100 increase in the restitution fee could generate an estimated $500,000 in additional revenue. Rider Number 11 of the General Appropriations Act allows the Department to keep any revenue raised by statute for other law enforcement expenditures. The current fee is established at $140.

Recommendation:

We recommend that the Department reassess the current laboratory fee in light of current operating costs and increase the fee to a reasonable amount. The overall fee should reflect any costs authorized by statute.

Management's Response:

Except for peace officer "cost to confiscate" elements, the current restitution fee assessed by the DPS Crime Laboratory is calculated to include all factors authorized

The Department Needs a Comprehensive Evaluation of Its Business Processes to Prepare for the Twenty-First Century

The Department would benefit from a comprehensive evaluation of its business processes in light of these issues: the significant length of time since the Department's last comprehensive review of its organizational structure, management control weaknesses described in this and previous audits, and the Department's increased responsibilities. These issues challenge the Department's ability to provide efficient and effective public safety.

The Department provides many successful law enforcement services for the public (see Appendix 2). This audit focused on controls related to managing the Department rather than to police practices related to providing public safety.

The last comprehensive evaluation of the Department's organizational structure was in 1957. The results of a 1957 study commissioned by the Texas Legislature and completed by the Texas Research League led to a complete reorganization of the Department at the time. In 1991, the State Auditor's Office recommended that the Department provide a review process for its organizational structure. This recommendation has not been implemented.

Significant management control issues have been identified in this and previous State Auditor reports. This and previous reports identified weaknesses in key accountability control systems related to policy, performance, information, and resource management. These management controls provide the necessary support for operations to efficiently and effectively carry out the Department's mission.

State and federal legislation continually expands the Department's public safety and crime fighting responsibilities. The legislation reflects increasing concerns about specific crimes, population growth, more highway traffic, and economic factors such as the North American Free Trade Agreement (NAFTA).

The Department's information management role has been growing (see Table 5). The Department is a major provider of public safety and criminal justice information that is used internally as well as by the federal and local law enforcement community. For example, the Department provides criminal history information to the Federal Bureau of Investigation, local criminal justice agencies, school districts, and institutions of higher education. Other users include state agencies that oversee banking, licensing, horse racing, and insurance.

Table 5

Additional Information Management Responsibilities Since 1985 Department of Public Safety		
Missing Children and Persons Clearinghouse	Criminal History Information	Hazardous Materials
Toll Free Number (for motorists)	Hate Crime Reporting	Public Complaints
Reporting related to Concealed Handgun Incidents	DNA Database System	Local Warrant Database

Source: Department of Public Safety

Over the last four bienniums, the Department received an average of $9 million less than requested in the appropriations process for information management needs. During this period, the Department spent an average of about 102 percent of the appropriations it did receive (see Table 6).

Table 6

History of Appropriations for Information Management Department of Public Safety						
	Appropriations				Expenditures	
Biennium	Requested	Received	Difference	Percentage Received	Amount	Percentage of Appropriations
1990-91*	$29.4	$17.1	$12.3	58%	$18.1	106%
1992-93*	$28.4	$25.4	$3.0	89%	$24.1	95%
1996-97**	$25.8	$7.9	$17.9	31%	$6.6	84%
Averages	$25.4	$16.4	$9.0	66%	$16.8	102%

*   Includes personnel and administrative costs

**   Excludes personnel and administrative costs (includes only capital budget riders)

Source: Legislative Budget Board

Economic challenges in the form of legislatively assigned responsibilities without additional financial resources, relatively low employee compensation, and rising costs increasingly affect the Department's ability to successfully attain its mission. The Department is increasingly at risk of not being able to attract and retain quality personnel such as specialists in communication, automation, and scientific analysis. Employee compensation for troopers continues to decline relative to other, more competitive employers including city governments.

A summary of internal studies by the Department indicate that some field locations have morale problems. Inspection and Planning reviewed four regions involving 46 locations from May 1995 through December 1996. Of the locations visited, 28 percent (13 of 46 locations) exhibited morale problems.

College degrees are not required for any commissioned officers in management or supervisory positions. By comparison, the Texas Parks and Wildlife now requires game wardens to possess college degrees. United States military services also require college degrees as an officer qualification.

Recommendation:

We recommend that the Department initiate a comprehensive evaluation to ensure that it is adequately prepared to meet the challenges of providing public safety as it enters the twenty-first century. This would include initiating a business process reengineering study no later than September 1, 1999, and begin implementation of needed changes before the 77th legislative session in 2001.

The purpose of a business process-reengineering project is to help organizations fundamentally rethink how they do their work in order to dramatically improve operations. This involves agency activities such as identifying customer needs and performance problems, reassessing strategic goals, defining reengineering opportunities, controlling risks and maximizing benefits, managing organizational changes, and successfully implementing new processes. A starting point would be to use the United States General Accounting Office publication *Business Process Reengineering Assessment Guide* (Guide*)*, April 1997. This *Guide* is especially tailored for government agencies.

Management's Response:

Department business processes are currently under scrutiny by the Office of the State Auditor, the Sunset Advisory Commission and Quality Assurance Team Extraordinary Oversight. In context with ongoing oversight functions, business process reengineering will be undertaken in order to allow the Department to study, evaluate and improve processes.

Depending upon the financial resources required and study focus, the implementation time line for the reengineering study may be contingent upon legislative authorization.

Objective, Scope, and Methodology

Objective

Our audit objective was to evaluate the existing management control systems at the Department of Public Safety and identify both strengths and opportunities for improvement. We evaluated these control systems to determine whether they provide reasonable assurance that the Department's objectives will be accomplished. The evaluation was based on the control systems in place as of February 1998.

Scope

The scope of this audit included consideration of the Department's overall management control systems: policy management, information management, resource management, and performance management. The audit scope included management controls relevant to all divisions within the Department. This audit focused on controls related to managing the Department rather than police practices related to providing public safety.

Methodology

The audit methodology consisted of gaining an understanding of how each process or control system was intended to work. Based on this understanding, we used an established risk ranking methodology to identify those significant controls that warranted additional testing. Tests were then performed to gather evidence in determining whether these systems were operating as described. Finally, the results were evaluated against established criteria to determine control system adequacy and identify opportunities for improvement.

We gained an understanding of the control systems through review of Department documents and interviews with personnel. Control systems were tested by comparison of the intended and the actual processes through review of documents, files, interviews, observation, analytical review, and transaction testing.

The following criteria were used to evaluate the control systems:

- Statutory requirements
- General and specific criteria developed by the State Auditor's Office Inventory of Accountability Systems Project
- State Auditor's Office *Project Manual System: The Methodology*
- State Auditor's Office *Project Procedures Manual*
- The Department's plans, policies, and procedures
- The Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing*

- General Accounting Office publication *Business Process Reengineering Assessment Guide*
- Other standards and criteria developed through research prior to and during fieldwork
- *Service Efforts and Accomplishments: Its Time Has Come for Police Department Programs*, GASB, 1992
- *Standards for Law Enforcement Agencies*, Commission on Accreditation for Law Enforcement Agencies

Other Information

We conducted fieldwork from September 1997 through February 1998. We conducted the audit in accordance with applicable professional standards, including:

- Generally Accepted Government Auditing Standards
- Generally Accepted Auditing Standards

There were no significant instances of noncompliance with these standards.

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

- Carleton S. Wilkes, CPA (Project Manager)
- Brian R. Bailey
- Paul A. Butz
- Lucien E. Hughes
- Teresa L. Menchaca, CISA
- Sandra L. Queen, MPA
- Freda A. Schappe
- Betsy Schwing
- Worth Ferguson, CPA (Quality Control Reviewer)
- Barnie Gilmore, CPA (Audit Manager)
- Deborah L. Kerr, Ph.D. (Audit Director)

Partial List of the Department's Successful Programs and Services
(unaudited)

Fugitive Apprehension Unit Succeeds in Capturing Violent Fugitives

A statewide effort to identify the "Texas Ten Most Wanted" violent parole violators resulted in the reincarceration of 94 of 100 violent offenders identified thus far. This program has the potential to further reduce the overall violent crime rate in Texas.

The Texas Legislature in 1997 created the "Fugitive Apprehension Account" which is funded by a $5.00 court cost fee. The funds are expressly used for the reincarceration of parole violators. The Department indicates there are over 14,000 wanted parole violators, and over 2,000 of these are considered violent criminals.

Intelligence packets containing leads on the whereabouts of wanted fugitives are forwarded to other law enforcement agencies allowing additional arrests to be made statewide. In the last four months of 1997, a total of 146 arrests were made by participating local and federal agencies as a result of the 444 intelligence packets furnished by the Fugitive Apprehension Unit.

CODIS Identifies Repeat Sex Offenders Using DNA to Help Reduce Sex Crimes

In 1995, the Texas Legislature required creation of a convicted sex offender DNA database. The Combined DNA Index System (CODIS) Laboratory at the Department is profiling the genetic codes of convicted sex offenders from blood specimens collected by the Department of Criminal Justice and the Youth Commission and creating a database of the resulting genetic codes. At this time over 5,000 samples have been profiled, and an additional 7,000 samples are being processed.

In addition to this sex offender database, genetic profiles of unidentified suspects in sexual assaults are also entered into the CODIS database. The database is capable of matching the unknown suspect profiles with a convicted sex offender profile and capable of matching unknown suspect profiles with other unknown suspect profiles. This means that an unknown suspect can be identified from the convicted sex offender database, and CODIS can identify multiple sexual assaults by a serial rapist.

Polygraph Service Saves Money, Furthers the Justice Process by Exonerating Innocent Persons, and Assists in Identifying the Guilty

The Polygraph Service is a leader in the polygraph industry, and it participates with the Department of Defense Polygraph Institute in developing standardization and uniformity for the polygraph industry. The Polygraph Service established a

centralized quality control process in 1993, and uses two software-scoring algorithms to help ensure accuracy of the initial opinion.

In fiscal year 1997, the Polygraph Service assisted 3,122 agencies in 201 of 254 Texas counties. The Service cleared 539 criminal cases by confession, saving trial costs, additional investigative manpower, and other legal costs. Also, 618 individuals were exonerated by passing polygraph examinations.

The Canine Program Takes an Effective Bite out of Drug Trafficking

The Department began the canine program in 1993 by sending troopers to the U.S. Customs Training Center in Front Royal, Virginia. At the start of 1998, the Department had a total of 28 certified canine teams.

Through 1997, the Canine Program has been involved in the discovery of illegal drugs with a street value of $351,752,112. The teams have conducted a total of 12,507 searches and identified 1,415 instances that resulted in cold finds (no drugs had been located before canine search). As a result of all searches, a total of 54,319 pounds of marijuana, 75 grams of hashish, 3,053,091 grams of cocaine, and 1,283 grams of heroin have been confiscated. The canine teams are routinely available for troopers when a search is needed.

Crime Laboratory Uses Sophisticated Automation to Track Firearm Characteristics and Solve Crimes

The Crime Laboratory used federal grants to acquire DRUGFIRE, a system developed by the FBI. The system is an automated ballistics imaging, system and database that integrates a forensic database, video, audio, digital imaging and telecommunications for the comparisons of shell casings and bullets from firearms. This system can record and store digital images of the unique microscopic striations found on fired cartridge cases and bullets. These images can then be searched against future submissions both at the local level and via a nationwide network that allows searches of other databases in other states with DRUGFIRE capabilities.

This system greatly increases the effectiveness of the forensic firearms examiner to associate previously unrelated cases which involve homicides by firearm and drive-by shootings. By 1997, with six Texas sites having this capability, over 2,300 cases were submitted to DRUGFIRE analysis. Approximately 3 percent of the total DRUGFIRE cases have been linked, compared to a national experience of 7 percent. As the number of entries increase, the number of linked cases also increases, helping to solve crimes.

In-House Experts Save on Litigation Costs

Several members of the Department serve as experts and/or consultants in the Department's law enforcement civil litigation cases. Since September 1994, the Attorney General's Law Enforcement Division reports that it used Department of Public Safety experts and/or consultants on 140 cases.

Substantial money is saved by using in-house rather than outside experts. Since September 1994, the Department estimates it has saved between $700,000 and $1,680,000 in this manner.

The Traffic Law Enforcement's Drug Interdiction Philosophy Generates National Recognition and Results

The Traffic Law Enforcement Division is emphasizing a "philosophy of awareness" in training its troopers to improve its overall drug interdiction efforts. The success of this approach is measured not only in increasing drug-related arrests but also national recognition by the Federal Government.

The Drug Enforcement Administration awarded the following to the Department:

1993	"Outstanding Contributions to Marijuana Highway Interdiction" for having seized more marijuana in traffic stops than any other law enforcement agency in the nation
1994	"Outstanding Contributions to Marijuana, Cocaine, and Currency Highway Interdiction" for having seized more marijuana, cocaine, and currency in traffic stops than any other law enforcement agency in the nation
1995	"Outstanding Contributions to Marijuana Highway Interdiction" for having seized more marijuana in traffic stops than any other law enforcement agency in the nation
1996	"Outstanding Contributions to Marijuana and Cocaine Highway Interdiction" for having seized more cocaine and marijuana in traffic stops than any other law enforcement agency in the nation
1996	"Outstanding Commercial Motor Vehicle Drug Interdiction Unit" for have the best highway interdiction program in the nation, awarded by the U.S. Department of Transportation.

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