September 30, 2011

Steven Polunsky
Director, Senate Committee on Business and Commerce
PO Box 12068
SHB 370
Austin, TX 78711

Dear Mr. Polunsky:

Enclosed please find your monthly update regarding the State Auditor's Office Report No. 11-041, An Audit Report on Performance Measures at the Texas Department of Licensing and Regulation (TDLR) released in July 2011. As you will recall, I wrote to you in early September to share with you our commitment to continuous improvements.

This monthly update shows our progress in having all recommendations implemented by the deadlines included in our Audit Response. For ease of review new updates are highlighted in orange for items in progress and blue for completed items. We will send you additional updates until the work is completed.

As always, if I or my staff can be of any assistance to you and your office, please do not hesitate to contact me at 463-3170 or on my BlackBerry at 751-9437.

Sincerely,

William H. Kuntz, Jr.
Executive Director

Frank S. Denton, Chair – Conroe, Texas

Mike Arismendez – Shallowater, Texas
LuAnn Morgan – Midland, Texas
Fred Moses – Plano, Texas

Lilian Norman-Keeney – Taylor Lake Village, Texas
Ravi Shah – Carrollton, Texas
Deborah A. Yurco – Austin, Texas

Finding	Finding Recommendation	Action Step	Lead/ Division	Completion Date	Status	LBB Agreement
1	Develop written policies and procedures for collecting and calculating its licensing performance measures.	1.1 Develop Swim-Lane Charts	Willie Sczech/ Financial Services	7/12/2011	Complete	
		1.2 Develop detailed written procedures to match swim-lanes	Dede McEachern/ Licensing		In Progress	
		1.3 Implement weekly data validation & signoff sheets for 1 Lic per program by supervisor	Dede McEachern/ Licensing	8/31/2011	Complete	
		1.4 Implement monthly data validation of summary data for PM metrics with signoff sheets	Dede McEachern/ Licensing	8/31/2011	Complete	
2	Retain supporting documentation for performance measures for fy plus three years.	2.1 Create archival PDF of all licenses issued by lic #, program, lic type & date	Dede McEachern/ Licensing		In Progress	
		2.2 Create archival PDF of all signoff sheets and monthly summary data	Dede McEachern/ Licensing	8/31/2011	Complete	
3	Ensure licensing system appropriately issues and counts licenses to avoid duplicate records.	3.1 Modify queries with peer review to prevent duplicate record counts	Glen Bridge/ Information Systems Development	9/1/2011	Complete	
4	Follow the ABEST performance measure definitions and methodologies when calculating Percent of Licensees Who Renew Online.	4.1 Verify with peer review that queries match ABEST definitions and methodologies	Glen Bridge/ Information Systems Development	10/1/2011	In Progress	
		4.2 Verify reports match ABEST definitions and methodologies	Dede McEachern/ Licensing			
5	Work with the Legislative Budget Board and the Governor's Office of Budget, Planning and Policy to clarify and ensure consistency with performance measure titles, definitions, and methodologies in ABEST for Percent of Licensees Who Renew Online and Number of Licenses Renewed (Individuals).	5.1 Submit ABEST revisions to LBB	Tomas Spradlin/ Public Affairs	6/17/2011	Complete	
		5.2 Get agreement from LBB on ABEST changes	Tomas Spradlin/ Public Affairs			Required
6	Retain detailed supporting documentation, in paper or electronic form, for performance measures for the fiscal year reported plus three years in accordance with the State's records retention schedule.	6.1 Create archival PDF of all licenses issued by lic #, program, lic type & date	Dede McEachern/ Licensing		In Progress	
7	Work with the Legislative Budget Board and the Governor's Office of Budget, Planning and Policy to change the ABEST performance measure titles, definitions, and methodologies for Total Number of Individuals Licensed and Percent of Licensees with No Recent Violations to require a count of licenses.	7.1 Submit ABEST revisions to LBB	Tomas Spradlin/ Public Affairs	6/17/2011	Complete	
		7.2 Get agreement from LBB on ABEST changes	Tomas Spradlin/ Public Affairs			Required
8	Include only new licenses, registrations, and certifications issued to individuals for whom an online application was available in calculating the results for Percent of New Individual Licenses Issued Online	8.1 Verify with peer review that queries match ABEST definitions and methodologies	Glen Bridge/ Information Systems Development	10/1/2011	In Progress	
		8.2 Verify reports match ABEST definitions and methodologies	Dede McEachern/ Licensing	7/1/2011	Complete	
9	Develop policies and procedures that contain sufficient detail to ensure continued accuracy of reporting its compliance performance measures.	9.1 Develop Swim-Lane Charts	Willie Sczech/ Financial Services	7/12/2011	Complete	
		9.2 Develop detailed written procedures to match swim-lanes	Christina Kaiser/ Enforcement		In Progress	
10	Revise process for closing complaints to ensure that complaints remain open until they are fully investigated and duplicate complaints are excluded from its performance measure calculation.	10.1 Modify queries with peer review to prevent duplicate record counts	Glen Bridge/ Information Systems Development	10/1/2011	In Progress	
		10.2 Verify Closing dates in Legal Files match documents	Christina Kaiser/ Enforcement	9/1/2011	Complete	
11	Implement processes and controls to ensure that it can accurately: • Distinguish between complaints against current license holders and complaints against unlicensed applicants. • Record the license numbers related to the complaints against current license holders.	11.1 Create cross match query to verify that Legal Files lic # exist in tulip & other systems.	Glen Bridge/ Information Systems Development	10/1/2011	In Progress	
		11.2 Require lic # for all complaints against licensees	Christina Kaiser/ Enforcement	9/1/2011	Complete	

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Finding	Finding Recommendation	Action Step	Lead/ Division	Completion Date	Status	LBB Agreement
12	Work with the Legislative Budget Board and the Governor's Office of Budget, Planning and Policy to: • Revise the methodology for Percent of Complaints Resulting in Disciplinary Action so that the reported results are accurate. • Document in ABEST the types of complaints that should be included in the performance	12.1 Submit ABEST revisions to LBB	Tomas Spradlin/ Public Affairs	6/17/2011	Complete	
		12.2 Get agreement from LBB on ABEST changes	Tomas Spradlin/ Public Affairs			Required
13	Implement processes and controls to ensure that it can accurately: • Distinguish between complaints against current license holders and complaints against unlicensed applicants. • Record the license numbers related to the complaints against current license holders.	13.1 Implement process to id complaints against unlicensed	Christina Kaiser/ Enforcement	5/16/2011	Complete	
		13.1 Submit ABEST revisions to LBB	Tomas Spradlin/ Public Affairs	6/17/2011	Complete	
14	Modify the ABEST information for Average Time for Consumer Complaint Resolution (Days) to (1) ensure consistency among the performance measure's title, definition, and methodology and (2) specify the date that should be used as the starting date for calculating the performance measure.	14.1 Submit ABEST revisions to LBB	Tomas Spradlin/ Public Affairs	6/17/2011	Complete	
15	Work with the Legislative Budget Board and the Governor's Office of Budget, Planning and Policy to modify existing performance measures to allow the Department to report on its criminal history investigations on unlicensed applicants.	15.1 Get agreement from LBB on ABEST changes	Tomas Spradlin/ Public Affairs			Required
16	Document in ABEST the types of complaints the Department should include in Number of Complaints Resolved, Number of Jurisdictional Complaints Received, and Average Time for Consumer Complaint Resolution (Days).	16.1 Submit ABEST revisions to LBB	Tomas Spradlin/ Public Affairs	6/17/2011	Complete	
		16.2 Get agreement from LBB on ABEST changes	Tomas Spradlin/ Public Affairs			Required
17	Modify the ABEST information for Average Time for Consumer Complaint Resolution (Days) to (1) ensure consistency among the performance measure's title, definition, and methodology and (2) specify the date that should be used as the starting date for calculating the performance measure.	17.1 Get agreement from LBB on ABEST changes	Tomas Spradlin/ Public Affairs			
18	Develop policies and procedures that contain sufficient detail to ensure continued accuracy of reporting its compliance performance measures.	19.1 Develop Swim-Lane Charts	Willie Sczech/ Financial Services	7/12/2011	Complete	
		19.2 Develop detailed written procedures to match swim-lanes	George Ferrie/ Compliance		In Progress	
		19.3 Do not average the quarterly averages.	George Ferrie/ Compliance		In Progress	
19	Calculate Percent of Architectural Barrier Building Plan Reviews Completed within 30 Days based on the total number of reviews for the year.	20.1 Modify calculations to match ABEST	George Ferrie/ Compliance		In Progress	
20	Ensure that the dates in its compliance system used to calculate Percent of Architectural Barrier Building Plan Reviews Completed within 30 Days are correct and match the dates on the supporting documentation.	21.1 Require AB Plan Review dates to be actual dates not estimated dates	George Ferrie/ Compliance			
21	Work with the Legislative Budget Board and the Governor's Office of Budget, Planning and Policy to clarify the ABEST title, definition, and methodology to consistently define the types of reviews that should be included in Percent of Architectural Barrier Building Plan Reviews Completed within 30 Days.	22.1 Submit ABEST revisions to LBB	Tomas Spradlin/ Public Affairs	6/17/2011	Complete	Required
		22.2 Get agreement from LBB on ABEST changes	Tomas Spradlin/ Public Affairs			
22	Calculate Percentage of Boilers Inspected for Certification within Appropriate Timelines based on the total number of inspections for the year.	23.1 Modify calculations to match ABEST	George Ferrie/ Compliance		In Progress	
23	Work with the Legislative Budget Board and the Governor's Office of Budget, Planning, and Policy: • To ensure that the time period of reported inspections matches the time period required in ABEST. • To clarify the ABEST definition and methodology to consistently refer to the same calculation required for Percentage of Boilers Inspected for Certification within Appropriate	24.1 Submit ABEST revisions to LBB	Tomas Spradlin/ Public Affairs	6/17/2011	Complete	Required
		24.2 Get agreement from LBB on ABEST changes	Tomas Spradlin/ Public Affairs			

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Finding	Finding Recommendation	Action Step	Lead/ Division	Completion Date	Status	LBB Agreement
24	Retain supporting documentation for performance measures for fy plus three years.	25.1 Create archival PDF of all licenses issued by lic #, program, lic type & date	George Ferrie/ Compliance	9/1/2011	Complete	
25	Work with the Legislative Budget Board and the Governor's Office of Budget, Planning, and Policy to ensure that the time period of reported inspections matches the time period required in ABEST.	26.1 Submit ABEST revisions to LBB	Tomas Spradlin/ Public Affairs	6/17/2011	Complete	Required
		26.2 Get agreement from LBB on ABEST changes	Tomas Spradlin/ Public Affairs			
26	Follow the definition and methodology in ABEST when calculating Inspection Coverage Rate by using the data it retains in its information systems, databases, and spreadsheets to calculate the number of inspections required.	27.1 Modify calculations to match ABEST	George Ferrie/ Compliance		In Progress	
		27.2 Modify procedures to record booth rental lic # on inspection reports	George Ferrie/ Compliance		In Progress	
27	Develop and implement a documented process to reconcile data among its licensing and enforcement systems to ensure that the data is consistent and complete across those systems.	28.1 Create cross match query to verify that Legal Files lic # exist in licensing systems.	Glen Bridge/ Information Systems Development	10/1/2011	In Progress	
		28.2 Verify that suspended licenses in Legal Files are prevented from renewing in all Licensing systems	Dede McEachern/ Licensing	9/15/2011	Complete	
28	Limit programmer access to the production database and source code for its information systems.	29.1 Limit database modifications to minor data entry corrections	Glen Bridge/ Information Systems Development	9/1/2011	Complete	
		29.2 Enforce source code password rules	Glen Bridge/ Information Systems Development	8/15/2011	Complete	
29	Document change management policies and procedures to help ensure that all system modifications are developed, documented, and tested as required.	30.1 All code changes must be made in test environment	Glen Bridge/ Information Systems Development	8/15/2011	Complete	
		30.2 Sign-off of all code changes before update to production	Glen Bridge/ Information Systems Development	9/1/2011	Complete	
		30.3 Implement formal change management system	Glen Bridge/ Information Systems Development	11/1/2011	In Progress	
30	Test disaster recovery plan and the restoration of databases on a routine basis.	31.1 Conduct Table-top disaster drill	Simon Skedd/ Network Services	6/22/2011	Complete	
		31.2 Conduct Live disaster drill	Simon Skedd/ Network Services			
31	Document information resources backup and recovery process for each system.	32.1 Develop routine backup & restore with documentation of all databases	Glen Bridge/ Information Systems Development	9/1/2011	Complete	
32	Monitor user access to systems and appropriately modify or remove access when users' employment or job responsibilities within the Department change.	33.1 Purchase & implement Admin Report Kit	Simon Skedd/ Network Services			
33	Ensure that each system is programmed to enforce a password policy that meets the Department's internal policies and procedures.	34.1 Enforce consistent password policy for all access	Glen Bridge/ Information Systems Development	9/1/2011	In Progress	
		34.2 Create reports for Tools & HP that enable password policy enforcement	Glen Bridge/ Information Systems Development	10/1/2011	In Progress	
		34.3 Purge inactive employee accounts from system databases	Glen Bridge/ Information Systems Development	9/1/2011	Complete	
34	Monitor physical access to mission-critical computer equipment to protect information resources from unauthorized access, use, modification, or destruction.	35.1 Implement quarterly review of all physical access	Simon Skedd/ Network Services		Complete	

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