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An Audit Report on

Performance Measures at the Texas State Board of Dental Examiners

August 2009
Report No. 09-047



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Overall Conclusion

The Texas State Board of Dental Examiners (Agency) reported unreliable results for 8 (67 percent) of 12 key performance measures tested for fiscal year 2008. It reported reliable results for 4 (57 percent) of 7 key performance measures tested for the first quarter of fiscal year 2009. A performance measure result is considered reliable if it is certified or certified with qualification.

Inaccurate, incomplete, and inconsistent data in the Agency's automated systems continues to weaken its ability to appropriately regulate licenses and to report accurate licensee information to the public. The Agency does not have adequate controls to prevent or detect errors and inconsistencies within its automated systems. Improvements are also needed in the controls over system access and changes made to automated systems.

The State Auditor's Office previously reported issues of unreliable and inaccurate data in June 2002 and August 2005.¹ After the 2005 audit, the Agency reportedly spent \$118,000 to implement a new Enforcement System with the intention of addressing prior audit recommendations. That system became active in September 2007, but it is not fully functional or reliable, and a number of weaknesses continue to exist. The Agency indicated that the weaknesses are due, in part, to the inability of the system developer to deliver an information system that worked as the Agency intended.

The Agency has indicated that, along with other regulatory agencies², it plans to purchase a new automated system that will replace all of the automated systems it currently operates. The cost of the new system is approximately \$644,000. Given the difficulties the Agency has had in the past in designing, implementing, and

Background Information

Agencies report results for their key measures to the Legislative Budget Board's budget and evaluation system, which is called the Automated Budget and Evaluation System of Texas, or ABEST.

Key performance measures are:

- Budget drivers that are generally externally focused.
- Closely related to the goals identified in the statewide strategic plan.
- Reflective of the criteria of good performance measures.

Source: *Guide to Performance Measure Management* (State Auditor's Office Report No. 06-329, August 2006).

Agency Mission

The Agency's mission is to safeguard the dental health of Texas by developing and maintaining programs to:

- Ensure that only qualified persons are licensed to provide dental care.
- Ensure that violators of laws and rules regulating dentistry are sanctioned as appropriate.

¹ See Appendix 2 for related work from the State Auditor's Office.

² The Health Professions Council in which the Agency resides received funding for new information systems from the 81st Legislature.

maintaining automated systems, it will be imperative that the Agency use a systematic process for installing, customizing, testing, and implementing the new system to ensure that the existing problems do not occur in the new system.

The inadequacies in controls over data integrity contributed to unreliable performance measure reports. Table 1 summarizes the certification results for the 12 key performance measures tested. Auditors communicated other less significant issues to Agency management in writing.

Table 1

The Texas State Board of Dental Examiners (Agency No. 504)				
Related Objective or Strategy, Classification	Description of Measure	Fiscal Year	Results Reported in ABEST	Certification Results ^a
A, Outcome	Percent of Complaints Resulting in Disciplinary Action	2008	10.1%	Inaccurate
A, Outcome	Percent of Licensees Who Renew Online	2008	38.0%	Inaccurate
A, Outcome	Percent of New Individual Licenses Issued Online	2008	15.7%	Inaccurate
A.1.1, Output	Number of Complaints Resolved	2008	674	Inaccurate
		2009 (first quarter)	156	Inaccurate
A.1.1, Efficiencies	Average Time for Complaint Resolution (Days)	2008	377.25	Inaccurate
		2009 (first quarter)	422.20	Inaccurate
A.1.1, Explanatory	Number of Jurisdictional Complaints Received	2008	803	Certified with Qualification
A.1.2, Output	Number of Licensed Individuals Participating in a Peer Assistance Program	2008	71	Certified with Qualification
		2009 (first quarter)	69	Certified with Qualification
A.2.1, Output	Number of New Licenses Issued to Individuals: Dentists	2008	675	Certified with Qualification
		2009 (first quarter)	119	Certified with Qualification
A.2.1, Output	Number of Licenses Renewed (Individuals): Dentists	2008	12,840	Factors Prevented Certification
		2009 (first quarter)	3,341	Inaccurate
A.2.1, Output	Number of New Licenses Issued to Individuals: Dental Hygienists	2008	564	Certified with Qualification
		2009 (first quarter)	69	Certified with Qualification
A.2.1, Output	Number of Licenses Renewed (Individuals): Dental Hygienists	2008	10,065	Factors Prevented Certification
		2009 (first quarter)	2,779	Certified with Qualification
A.2.1, Explanatory	Total Number of Business Facilities (Laboratories) Licensed	2008	1,083	Factors Prevented Certification

^a A measure is **Certified** if reported performance is accurate within plus or minus 5 percent of actual performance and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.

A measure is **Certified With Qualification** when reported performance appears accurate but the controls over data collection and reporting are not adequate to ensure continued accuracy. A measure is also certified with qualification when controls are strong but source documentation is unavailable for testing. A measure is also certified with qualification if agency calculation of performance deviated from the measure definition but caused less than a 5 percent difference between the number reported to ABEST and the correct performance measure result.

A measure is **Inaccurate** when the actual performance is not within 5 percent of reported performance, or when there is more than a 5 percent error in the sample of documentation tested. A measure is also inaccurate if the agency's calculation deviated from the measure definition and caused more than a 5 percent difference between the number reported to ABEST and the correct performance measure result.

A **Factors Prevented Certification** designation is used if documentation is unavailable and controls are not adequate to ensure accuracy. This designation also will be used when there is a deviation from the measure definition and the auditor cannot determine the correct performance measure result.

Summary of Management's Response

The Agency generally agreed with the findings and recommendations in this report. The Agency's detailed management responses to the specific recommendations in this report are presented immediately following each set of recommendations in the Detailed Results section of this report.

Summary of Information Technology Review

The Agency uses five automated systems to carry out its mission. These systems include:

- The Licensing System, which is remotely hosted by IBM.
- The Old Enforcement System, a database within an application called FileMaker Version 3.
- The Compliance System, a database within an application called FileMaker Version 3.
- The New Enforcement System, a database within an application called FileMaker Version 7.
- The Legal System, a Microsoft Access database.

Auditors followed up on information technology issues identified in *An Audit Report on the Texas State Board of Dental Examiners* (State Auditor's Office Report No. 05-050, August 2005) and determined that the Agency should improve the management and accuracy of its five automated systems. Each of its databases requires separate, manual input of data, and auditors identified data entry errors in all five databases. There are no automatic data transfers from one system to another, and there are no compensating manual processes to ensure that data is accurate. Auditors identified inconsistencies in information between data in four databases analyzed and between the Agency's internal databases and the database available to the public to verify a license.

To certify performance measures, auditors assessed information technology controls for the automated systems that the Agency uses to collect and calculate the performance measure data audited. These automated systems included the Licensing System, the Old Enforcement System, the New Enforcement System, and the Legal System. Auditors evaluated general information technology controls such as logical access, program changes, physical security, and disaster recovery. Auditors also evaluated controls such as input controls, process controls, and output controls.

Summary of Objectives, Scope, and Methodology

The audit objectives were to determine whether the Agency (1) is accurately reporting its performance measures to the Automated Budget and Evaluation System of Texas (ABEST), (2) has adequate controls in place over the collection, calculation, and reporting of its performance measures, and (3) has implemented prior State Auditor's Office recommendations regarding its information technology systems.

The scope for the first two audit objectives was fiscal year 2008 and the first quarter of fiscal year 2009. The scope for the third audit objective was information that had not been audited since the last State Auditor's Office audit.

The audit methodology consisted of selecting 12 key performance measures for the fiscal year 2008 and 7 key performance measures for the first quarter of fiscal year 2009, auditing reported results for accuracy and adherence to measure definitions, evaluating controls over the performance measure certification process, and testing of original source documentation when possible. The audit methodology also included downloading information from the agency's five automated systems, analyzing the information within the automated systems, and comparing the information between systems.

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Detailed Results

Chapter 1

The Agency Should Improve the Management and Accuracy of Information in Its Automated Systems

Opportunities continue to exist for the Texas State Board of Dental Examiners (Agency) to improve the management and accuracy of the automated systems it uses to track information about licenses. Specifically:

- Multiple databases are not consistent.
- The Agency does not verify information in its databases.
- The Agency does not have appropriate information technology controls over certain automated systems.

The State Auditor's Office previously reported these same issues in 2002 and 2005. The Agency's response to many of the issues identified in 2005 was that a new automated system would address the issues. According to the Agency, it spent \$118,000 to implement a New Enforcement System, which became active in September 2007, but that system is not fully functional, and a number of weaknesses continue to exist. The Agency indicated that the weaknesses are due, in part, to the inability of the system developer to deliver an information system that worked as the Agency intended. Although the Agency has identified weaknesses in the new system, it has not implemented controls to address those weaknesses.

Chapter 1-A

The Agency Plans to Purchase a New Automated System

The Agency, along with other regulatory agencies, plans to purchase a new automated system to replace all of the automated systems it currently operates. The Agency's expected cost for this system is approximately \$644,000. Given the difficulties the Agency has had in the past with designing, implementing, and maintaining automated systems, it will be imperative that the Agency use a systematic process for installing, customizing, testing, and implementing the new system to ensure that the existing problems do not occur in the new system.

Recommendations

The Agency should:

- Follow the Department of Information Resources' guidelines for system development including planning, designing, testing, deploying, and reviewing new system applications.
- Clearly define and document the control structure over its existing automated systems and the control structure it plans to use after the new system is implemented. The Agency should clearly and systematically document the controls it will require in the new system, including systematic edit checks, error reports, user identification controls, password and authorization controls, processing controls, backup controls, and change control management. The Agency should use its vendor's expertise to help implement the controls needed for its data.

Management's Response

The Agency recognizes and agrees that the new Enforcement database procured in 2005 as a result of SAO findings and recommendations, has not met the needs or expectations of the SBDE. Extensive efforts at modification have been ongoing and consistent; however, the end result is still not satisfactory.

Management expects resolution of these issues upon implementation of the new automated system for which funding was approved by the 81st Legislature. The new system will facilitate integration and marriage of multiple separate databases currently used and allow for a single source of agency data. This action will result in a standardization of data management that will ensure best practice technology to meet the concerns of the SAO and the needs of the Agency.

The Agency anticipates the data migration process to commence in early FY10 and hopes to be fully functional with the new system by third quarter FY10. The Executive Director and Division Directors will ensure that industry guidelines and best practices, including systemic edits, error reports, user ID control, password management, processing controls, backup controls and change controls, will be used during deployment of the new system by the vendor.

Multiple Automated Systems Do Not Have Consistent Data

The Agency uses five automated systems to track information. Each of the systems requires separate, manual input of data. In 2005, the State Auditor’s Office reported that the Agency did not have a plan to migrate data from its Old Enforcement System to its New Enforcement System. Because the Agency did not address that issue, it increased the number of automated systems it manually updates from four to five (see Table 2 for a summary of the Agency’s automated systems).

Table 2

Automated Systems the Agency Uses		
Record in System as of April 2009	Type of Information	How the System Is Used
Licensing System		
<ul style="list-style-type: none"> ▪ Contains license data for 22,656 dentists; 15,400 dental hygienists; 24,500 dental assistants; and 3,208 dental laboratories. ▪ This system also contains 1,292 disciplinary action flags for the licensees and registrations the Agency regulates. 	<p>This system includes licensees’ identifying information, period and type of licensure, license status information, financial transactions, and disciplinary action flags.</p>	<p>The Agency uses the Licensing System to track information on licensees, issue or renew a license, and record fees received from licensees.</p> <p>The Agency uses data exported from the Licensing System to update its Verify a License database, which is available to the public. The public uses Verify a License to verify a license issued by the Agency. The public can view license information, including the status of a license and whether the license has been flagged with a prior disciplinary action.</p>
New Enforcement System		
<ul style="list-style-type: none"> ▪ Contains 1,674 complaint histories. ▪ The Agency entered complaints in both this system and the Old Enforcement System for fiscal year 2008 and began entering new complaints only in the New Enforcement System in September 1, 2008. 	<p>This system contains information about complaints, complainants, respondents, investigations, board order numbers, and disciplinary actions.</p>	<p>The Agency uses the New Enforcement System in combination with its Legal System to track a complaint through the complaint resolution process. This system tracks investigation and enforcement processes.</p>
Old Enforcement System		
<ul style="list-style-type: none"> ▪ Contains 12,157 complaint histories and 439 open jurisdictional complaints. ▪ The Agency stopped entering new complaints in this system on September 1, 2008. The database will remain active until all open cases are resolved. 	<p>This system contains information about complaints, complainants, respondents, investigations, board order numbers, and disciplinary actions.</p>	<p>The Agency uses the Old Enforcement System in the same manner it uses the New Enforcement System.</p>

Automated Systems the Agency Uses		
Record in System as of April 2009	Type of Information	How the System Is Used
Compliance System		
<ul style="list-style-type: none"> The system contains 832 compliance cases. The Agency stopped entering new compliance cases in this system in June 2008. This database will remain active until all open cases are resolved. 	This system contains information on the board-ordered sanctions, results from correspondence sent to and received from the licensee, and prior investigations made on the licensee.	The Agency uses the Compliance System to track compliance with board-ordered sanctions on licensees. This system reflects what individuals under board orders have done to comply with those orders.
Legal System		
<ul style="list-style-type: none"> Contains 3,102 complaint cases referred to the Legal Division from the Enforcement Division. 	This system contains information on administrative assignment of cases, attorney notes on cases, status of cases, and board actions.	The Agency uses the Legal System to track complaint cases received from the Enforcement Division until the complaint is resolved.

Source: Prepared by auditors using information provided by the Agency.

In 2005, the State Auditor’s Office identified inconsistencies between the Agency’s databases. These inconsistencies continue to exist. Inconsistent databases increase the risk that the Agency could be making incorrect decisions during the licensing, enforcement, legal, and compliance processes. Inconsistencies also cause the Agency to report incorrect information to the public regarding the status of a license and a licensee’s prior disciplinary actions. This puts patients at risk of receiving services from licensees who have committed repeated violations.

Information in the Old Enforcement System, the Compliance System, the Licensing System, and the Verify a License database is inconsistent. Auditors identified the following inconsistencies:

Disciplinary Actions
A licensee is considered to have a disciplinary action when the Agency’s board issues a board order on the license. Board orders can include sanctions, penalties, and other conditions issued by the Agency against the licensee.

- Nineteen licenses with disciplinary actions in the Enforcement System are not flagged with disciplinary actions in the Agency’s Verify a License database, which is available to the public. Also, 17 of the 19 licenses were not flagged with disciplinary actions in the Licensing System. According to information in the Enforcement System, one of those licenses has been revoked, but information in the Licensing System specifies that the license status is canceled.
- Four licenses with disciplinary actions in the Compliance System are not flagged with disciplinary actions in the Licensing System or the Verify a License database that is available to the public.

Data in the Compliance System is not complete, and the Agency no longer uses that system.

Auditors identified inconsistencies when comparing information in the Licensing System with information in the Compliance System. The Licensing System contains 133 active licenses that are flagged with disciplinary actions

that are not in the Compliance System. It is unclear whether or not these licenses should be in the Compliance System, how many should be in the Compliance System, or how many should be tracked manually.

According to the Agency, due to heavy staff turnover in its Legal Division, the Agency transferred responsibility for the compliance function from the Legal Division to the Enforcement Division in June 2008. The Enforcement Division then began reviewing open compliance files to ensure that licensees complied with board sanctions, and it asserts that compliance files are under a constant state of review.

Because the Agency believed that the Compliance System was unstable, it decided in early 2008 to discontinue the use of that system. As a result, the Enforcement Division updates the Compliance System for compliance cases that have been previously entered and manually tracks new compliance cases in which board sanctions were issued after June 2008. Therefore, to track all of the compliance cases, the Agency uses the list from the Compliance System and 10 additional lists, each containing cases transferred from the Legal Division to the Enforcement Division from June 2008 to June 2009. The lists given to the Enforcement Division from the Legal Division contain minimal information about the case and do not identify the type, if any, of additional actions that are needed by the Agency. To obtain this information, Agency personnel must review each individual case file.

The Enforcement Division assigned one employee part-time to have sole responsibility for ensuring that board-ordered sanctions are enforced. The only way that this employee would know if a licensee did not comply with a board order would be if the employee receives a reminder note previously placed on an electronic calendar. The Agency intends to manually track the compliance cases until it implements a reliable information system. This process and the use of multiple lists rather than one comprehensive list increases the possibility that cases that need Agency follow-up will not be addressed.

Recommendations

The Agency should:

- Regularly compare information in its five separate automated systems to ensure that data is consistent and processes are working as intended.
- Analyze and address inconsistencies in data prior to migrating data to a new automated system.
- Develop and implement written policies and procedures that describe how and with what frequency a review for data consistency in its databases should occur.

- Ensure that the Verify a License database it makes available to the public is accurately processing information extracted from the Licensing System.
- Develop a systematic and comprehensive method of tracking licensees with disciplinary actions. This method could be manual or electronic, but it should list all compliance cases. At a minimum, the method should record the status of the compliance case, the requirements of the board- ordered sanction, actions taken by the licensee to meet compliance requirements, actions taken by the Agency to communicate with the licensee, and a mechanism for identifying unmet compliance requirements.

Management's Response

The agency recognized early in the implantation of the new Enforcement database that the compliance module was incomplete and non-functional. Monitoring the compliance database via the new system was not possible. The old system was inadequate, leaving the agency little choice but to manage the compliance files manually. Noted discrepancies between compliance and licensing databases have been determined to be disciplinary action not requiring compliance (such as warning orders) or are completed old compliance issues that have been properly archived and therefore would not be present in the compliance records.

Management agrees with recommendations to ensure compliance files are thoroughly and accurately managed. A master list will be made to include any and all files relative to compliance with the SBDE disciplinary actions. The Director of Enforcement is currently overseeing efforts to ensure data consistency and accuracy between divisions.

Chapter 1-C

The Agency Does Not Ensure the Accuracy of Data in Its Automated Systems

Licensee, complaint, and compliance data in the Agency's automated systems is not consistently accurate. Many of the systems the Agency uses do not have appropriate edit checks to promote accurate data. The Agency is aware of several weaknesses in its new and old automated systems; however, the Agency has not developed a process to verify the accuracy of information. Specifically, the Agency does not have a process to compare data in its information systems with the information on source documentation during any phase of the licensing or complaint resolution processes.

In 2005, the State Auditor's Office determined that the Licensing System does not contain adequate controls to prevent data entry errors. As a result, the

State Auditor's Office recommended that the Agency request regular reports from the database to identify all blank dates of birth and Social Security numbers in the Licensing System and use these reports to help ensure that missing data is obtained. Although the Agency reported to auditors that it generates a quarterly report that identifies missing information, auditors identified 12 missing dates of birth and one missing Social Security number in the data since the time of the 2005 audit. Also, the Licensing System contains 325 active licenses and registrations with Social Security numbers that contain less than 9 digits. The Agency was unable to provide an explanation for these incomplete Social Security numbers. Names, Social Security numbers, and dates of birth aid the Agency in obtaining criminal history information on applicants and active licenses for dentist and dental hygienists. Dates of birth are necessary to ensure that minimal criteria for licensure are met. For example, the minimum age requirement is 18 for a dental hygienist and 21 for a dentist.

The New Enforcement System, the Old Enforcement System, the Compliance System, the Licensing System, and the Legal System have limited-to-nonexistent edit checks to prevent data entry errors from occurring. For example, auditors identified three complaint records for which a complaint was resolved before it was received and five complaint records for which a complaint was resolved before an investigation was complete. These four automated systems also contain blank fields, contradicting information, and incorrect dates. Auditors analyzed information in the Agency's five automated systems and identified absent, contradictory, or incorrect information in each system (see Table 3 on the next page).

Table 3

Summary of Auditors' Test of Data in the Agency's Five Automated Systems			
System	Time Period Tested ^a	Number of Records Tested	Data Errors Identified
Licensing System	September 2005 through April 16, 2009	<ul style="list-style-type: none"> ▪ 2,029 dentists ▪ 1,697 dental hygienists ▪ 23,335 dental assistants ▪ 21 laboratories 	<ul style="list-style-type: none"> ▪ 150 dental assistants had a blank date of birth. ▪ 12 dentists had a blank date of birth. ▪ 18 records (11 dentists, 3 dental hygienists, and 4 dental assistants) had one initial as a first name. ▪ 1 dentist's date of birth was March 20, 2009. ▪ 4 dental hygienists had a blank license issue date. ▪ 1 dental assistant had a blank Social Security number field.
New Enforcement System	September 2007 through April 20, 2009	1,674 complaint cases	<ul style="list-style-type: none"> ▪ 3 complaints were marked as open complaints, but there was a date in the date closed field. ▪ 6 complaints contained different complaint closed dates for the same complaint. ▪ 12 licensees did not have a license number. ▪ 3 complaints contained different complaint received dates for the same complaint. ▪ 2 complaints were not flagged as open or closed.
Old Enforcement System	September 2002 through April 20, 2009	6,528 complaint cases	<ul style="list-style-type: none"> ▪ 3 complaints had a date closed date that was prior to the date the complaint was received, resulting in negative days for complaint resolution. ▪ 5 complaints had a date closed date that was prior to the investigation complete date. ▪ 6 complaints had been flagged as resolved, but they did not have a resolved date or a closed date. ▪ 13 records contained partial information and were not complete. ▪ 8 complaints had license numbers that were entered incorrectly. ▪ 3 complaints were incorrectly flagged with disciplinary actions.
Compliance System	September 2002 through April 20, 2009	832 compliance cases	<ul style="list-style-type: none"> ▪ 9 cases contained blank or incorrect characters. ▪ 1 case did not contain required hours for continuing education, but continuing education hours were required according to the disciplinary action description. ▪ 1 case did not contain a date due for a fine, but a fine was ordered by the board according to the disciplinary action description. ▪ 46 active cases showed blank board sanction termination dates. ▪ 20 cases did not contain a description of the disciplinary action. ▪ 1 case contained an incorrect date that the board order took effect. ▪ 5 cases had incorrect license numbers.
Legal System	September 2000 through April 20, 2009	3,102 complaint cases	<ul style="list-style-type: none"> ▪ 316 complaints contained a zero or a blank value in the license number field. ▪ 34 complaints contained a blank in the value for the date delivered from the Enforcement Division. ▪ 7 complaints were flagged as closed, but they did not contain a date the complaint was closed. ▪ 1 complaint contained an apostrophe instead of an appropriate open or closed flag. ▪ 17 license numbers were entered incorrectly.
^a Time periods have not been previously audited.			

Data entry errors cause reports generated from the automated systems to be inaccurate and can create confusion when the Agency uses the information in its automated systems to make decisions and carry out processes. Auditors were unable to detect all data entry errors for a particular record without comparing records in the automated systems to source documentation; however, data entry errors and blank fields indicate that information captured in the automated systems is not always accurate.

Recommendations

The Agency should:

- Implement a documented and procedural review of data entered into its five automated systems to ensure that data is recorded correctly and completely.
- Perform verifications of existing and new data in its databases. Verifications should include receiving periodic error reports generated from the automated systems or randomly selecting records and reviewing for accuracy. The Agency also should develop policies and procedures for how and when to conduct these verifications.
- Consider including edit checks in its current automated systems to prevent data entry errors.
- Ensure that future automated systems contain sufficient and appropriate edit checks.

Management's Response

Management understands and acknowledges the deficiencies with data entry review. Directors are currently considering options to implement periodic review of data. As previously reported, the Agency does receive a quarterly report of non-standard data entered or present in licensing records. Management is unclear why this edit has not been consistently accomplished; however, the Director of Licensing has developed a procedure to ensure compliance by staff.

The Agency Does Not Have Appropriate Information Technology Controls Over Its Automated Systems

The Agency uses its automated systems to manage its day-to-day activities and these information systems contain confidential information. Therefore, it is important for the Agency to have sufficient controls over these systems. However, the Agency does not ensure proper security and maintenance of information in those systems.

Controls over user authentication are inadequate to prevent inappropriate access to data.

User authentication is a control to verify the identity of the individuals who access an automated system. The Agency's automated systems have the following weaknesses in user authentication:

- The Agency has not designed the Old Enforcement System, Legal System, and Compliance System to identify the users of those systems with unique identification. Additionally, the Agency has not assigned separate passwords for each user. Instead, employees share the same passwords.
- The Agency's New Enforcement System has unique user identifications and passwords; however, neither the Agency nor the system requires employees to properly design their passwords as required by Title 1, Texas Administrative Code, Chapter 202. Additionally, the Agency cannot remove access or change the generic user identities because, due to the manner in which that system is programmed, deleting users' access would cause information on complaints to become inaccurate.
- The Agency has not developed documented policies and procedures for user identification management. In addition, documented password management policies and procedures for automated systems are not adequate to minimize the risk of unauthorized access to the system.

Controls over user authorization are not adequate to ensure ongoing data integrity and accuracy.

User authorization is a control to verify that users are authorized to access specific data. The Agency's automated systems have the following weaknesses in user authorization:

- The Legal System does not have separate levels of access for each user. Once a user has access to the database, the user has access to modify and delete any record and can make changes to items such as field names and field relationships.

- The Old Enforcement System and the Compliance System have two levels of access; however, more restrictions are necessary. For example, one access level gives the user full access to make modifications and deletions to any type of data and to make programming changes to the application.
- The New Enforcement System has various levels of access that prevent additions, deletions, and edits to certain data in the database. Auditors were not able to analyze the appropriateness of user authorization in this system because it is not designed to generate a list of user authorizations or permissions beyond a summary level.

Systems audit trails do not exist or could be improved.

Four databases do not have an audit trail that automatically tracks user activity. The New Enforcement System has an automatically generated audit trail that records who modified data, when data was modified, and a short description of what the event was that generated the entry. However, this audit trail does not record the deletion and subsequent addition of key dates. During the audit, the Agency asserted that it has made changes to its system's audit trail so that it will record the deletion and subsequent addition of key dates.

Changes to automated systems hosted by the Agency are not managed appropriately to ensure ongoing reliability of data.

In 2002, the State Auditor's Office previously reported that controls in the Old Enforcement System do not ensure data integrity due to inadequate change management³ and system development processes. These issues continue to exist. Specifically, the Agency does not manage changes to its automated systems to ensure that data remains complete and accurate. Specifically:

- The Agency does not have appropriate personnel to ensure programming changes to automated systems that are hosted by the Agency are made in a manner that enables data to remain accurate and complete.
- The Agency indicated that it makes programming changes to the Old Enforcement System, the Legal System, and the Compliance System in live data, rather than in a test environment. Because user authorization is not managed appropriately (as discussed previously), programming changes are made by end users.
- A system developer initially makes programming changes to the New Enforcement System in a test environment; however, the Agency's end users do not perform user acceptance testing on the change in a test

³ Change Management is a systematic process that end users and system developers follow when making programming changes to information systems.

environment prior to releasing the change into production. Because of this, the changes cause additional problems with system functionality.

- The Agency does not have documentation on how to interpret the information it stores in its Old Enforcement and New Enforcement databases. The Agency changes the way it uses information in these systems, but it has not consistently documented these changes in its procedures. As a result, complaint history from prior periods of time is difficult to interpret without comparing it to source documentation.
- The Agency has not developed change management policies and procedures that document how changes to programming language should occur.

The Agency's disaster recovery plan is not adequate to ensure business processes can be restored in a timely and complete manner, and the Agency has not tested this plan.

The Agency's documented disaster recovery plan does not identify the mission-critical operations and systems that it is designed to recover. The plan does not identify the data and information necessary to ensure a complete data restore could occur from backup data. The documented procedures for restoring data are not adequate to ensure that automated systems can be restored properly. For example, procedures do not include how to upload the data from the backup tapes to the automated system. The plan also does not include procedures to test the disaster recovery plan or to review and update the plan. The Agency has not tested its documented disaster recovery plan, as required by Title 1, Texas Administrative Code, Section 202.24.

Recommendations

The Agency should:

- Develop and implement adequate documented policies and procedures for user identification and password management.
- Ensure user passwords meet the requirements of Title 1, Texas Administrative Code, Section 202.25 (3)(D) by implementing policies and procedures and automated system requirements.
- Implement a password change to the Legal, Old Enforcement, and Compliance systems and require that each user establish a unique password.
- Work with a system programmer to make the following changes in the New Enforcement Database and ensure that any future databases include the following abilities:

- ♦ Ability to retire inactive and generic user identifications without corrupting other data.
- ♦ Ability to extract detailed user authorizations from the system.
- ♦ Ability to automate password requirements (for example, alpha and numeric character requirement, minimum password length, and expiration of passwords).
- Ensure that future information systems have the capability to record a sufficient audit trail.
- Develop and implement policies and procedures for automated system change management to ensure that changes are made in a systematic manner and documented appropriately.
- Ensure it has appropriate staff to ensure that changes made to complaint resolution automated systems are conducted in a way that retains data integrity.
- Ensure that all changes made to the programming language of its databases are made in a test environment and are documented sufficiently.
- Ensure that user acceptance testing is conducted on programming changes made to any automated system prior to promoting those changes to the production environment.
- Review, approve, and test its disaster recovery plan at least annually. The test should include a complete restore of in-house automated systems from backup data.
- Update and implement its disaster recovery plan to include:
 - ♦ Identification of mission-critical automated systems and operations.
 - ♦ Identification of data necessary to restore automated systems.
 - ♦ Detailed procedures for restoring automated systems from backup data.
 - ♦ A policy to review, approve, and test the disaster recovery plan at least annually.

Management's Response

Management agrees that controls over the enforcement data are weak. The Agency relied on the contracted programmer to ensure controls and

appropriate management of passwords and security measures would be accomplished. User authentication controls, system audit trails, and automated systems are directly related to the software previous staff used to develop the agencies current databases. The Director of Enforcement and the Executive Director will work with the system designer, as well as IT support from the Health Professions Council to ensure acceptable controls are implemented and documented, where possible. Further, management will consult HPC IT for assistance reviewing, modifying and testing disaster recovery operations.

The Agency Reported Unreliable Results for Eight of Twelve Key Performance Measures Tested for Fiscal Year 2008 and Reported Reliable Results for Four of Seven Key Performance Measures Tested for the First Quarter of Fiscal Year 2009

The Agency reported unreliable results for 8 (67 percent) of 12 key performance measures tested for fiscal year 2008. It reported reliable results for 4 (57 percent) of 7 key performance measures tested for the first quarter of fiscal year 2009.

A performance measure result is considered reliable if it is certified or certified with qualification.

Control Issues That Affect All Performance Measures Tested

For all 12 key performance measures tested for fiscal year 2008 and the 7 key performance measures tested for the first quarter of fiscal year 2009, the Agency does not have adequate written policies and procedures describing the collection, calculation, review, and reporting of its performance measures. The Agency's existing procedures lacked detailed information and the Agency does not consistently document supervisory reviews to ensure that performance measure results are collected and calculated accurately. The Agency did not review the performance measure data that is entered into the Automated Budget and Evaluation System of Texas (ABEST) before the data is released into ABEST. Supervisory review and detailed policies and procedures help ensure the accuracy of reported performance measures.

The Agency also lacks adequate controls over data that staff enter into the Agency's automated systems. This is important because the Agency uses information in its automated systems to calculate performance measures. Controls are not adequate because (1) the automated systems lack sufficient edit checks to ensure that staff enter valid data and (2) the Agency does not review data that its staff enter into its automated systems by comparing it to source documentation (see Chapter 1-B for additional details).

Recommendations

The Agency should:

- Update its written policies and procedures for the collection, calculation, review, and reporting of performance measures. Procedures should include procedures for the preparer and reviewer of performance measures and require signoffs by these individuals.

- Segregate the duties of the preparing and releasing of data entry in ABEST, and conduct and document a review of the performance measure data that is entered into ABEST before the data is released into ABEST.
- Implement sufficient internal controls to ensure that data entered into its automated systems is accurate.

Management's Response

The Agency will update the performance measure written policies currently in place. The Director of Administration will seek direction and input from other Division Directors to outline procedures in more detail, including more oversight review and approval.

Segregation of duties is extremely difficult for a small agency. The Director of Administration will train and grant access to the Accounting Tech to enter data into ABEST and print preliminary reports to be reviewed and approved by the Executive Director. The Director of Administration will be responsible for the final release of information into ABEST after approval by the Executive Director.

Key Measures

Number of Licenses Renewed (Individuals): Dentists (fiscal year 2008)

Number of Licenses Renewed (Individuals): Dental Hygienists (fiscal year 2008)

Results: Factors Prevented Certification

A Factors Prevented Certification designation is used if documentation is unavailable and controls are not adequate to ensure accuracy.

Factors prevented certification of these performance measures because the Agency could not provide supporting documentation for the period from September 2007 through January 2008.

The Agency was unable to provide supporting documentation because it disposed of dentists' and dental hygienists' license renewal forms after one calendar year. According to the State of Texas records retention schedule, performance measure documentation should be retained for the fiscal year reported plus three years.

Recommendation

The Agency should retain supporting documentation, in paper or electronic form, for performance measures in accordance with the State of Texas records retention schedule.

Management's Response

Conflicts currently exist between the SBDE Records Retention Schedule and the State of Texas (or possible other entities) schedule. The Director of Licensing will request assistance from the Director of Administration to ensure that all data retention schedules are consistent and enforced.

Key Measure

Total Number of Business Facilities Licensed (fiscal year 2008)

Results: Factors Prevented Certification

A Factors Prevented Certification designation is used if documentation is unavailable and controls are not adequate to ensure accuracy.

Factors prevented certification of this performance measure because the Agency could not provide supporting documentation for the number of expired licenses it included in the number it reported. The Agency's database overwrites data related to expired licenses for business facilities. Adequate support is required for all performance measures.

Recommendation

The Agency should retain supporting documentation to support reported performance measure results.

Management's Response

The Director of Licensing will review support documents of all submitted data to ensure appropriate documentation of performance measure calculations.

Key Measure

Percent of Licensees Who Renew Online (fiscal year 2008)

The Agency reported inaccurate results for the Percent of Licenses Who Renew Online because it deviated from the performance measure by incorrectly excluding dental assistant registrations in the measure calculation. According to the ABEST performance measure definition, Percent of Licensees Who Renew Online should be calculated by dividing the number of individual licenses, registrations, or certifications renewed online by the total number of individual licenses, registrations or certifications renewed during the reporting period. The Agency reported 38 percent for the Percent of Licensees Who Renew Online; however, auditors determined the percentage was 21.1 percent after adding dental assistants.

Results: Inaccurate

A measure is **Inaccurate** when the actual performance is not within 5 percent of reported performance, or when there is more than a 5 percent error in the sample of documentation tested. A measure is also inaccurate if the agency's calculation deviated from the measure definition and caused more than a 5 percent difference between the number reported to ABEST and the correct performance measure result.

Additionally, although the Agency asserted that its staff perform a supervisory review of the calculation of this performance measure, the review is not sufficient to ensure ongoing accuracy. Auditors identified several errors in the supporting documentation for this performance measure, including incorrect inclusion of information, incorrect summation of information, and missing information.

The ABEST definition for this performance measure also is unclear regarding whether the number of **licenses** or the number of licensed **individuals** should be counted to calculate the performance measure. The measure title and definition make reference to individuals, while the methodology makes reference to the number of licensed, registered, or certified licenses. Because the Agency issues licenses to dental laboratories that are not individuals, the performance measure definition should specify whether these licenses should be included in the measure calculation.

Recommendations

The Agency should:

- Follow the ABEST performance measure definitions and methodologies when calculating performance measures.
- Re-examine its existing supervisory review procedures to ensure that reviews occur consistently and adequately.
- Work with the Legislative Budget Board to clarify the ABEST performance measure definition.

Management's Response

The Agency did not include dental assistants in the 08 calculations for Percent Who Renew Online because they were not able to renew online at that time. Dental Assistants can renew online now and the Agency is including them in the calculation.

The Agency did not include dental assistants in the 08 calculations for Percent of New Individual Licenses Issued Online because they could not apply on line, but they are being included now in accordance with the Auditor's interpretation of the definition. Dental Laboratories were not included in the calculation because they cannot apply on line and because the LBB definition states 'Licenses Issued to Individuals', which would exclude facilities.

Management of all divisions will work with LBB staff to ensure applicable licensee populations are included in all respective performance measures.

Percent of New Individual Licenses Issued Online (fiscal year 2008)

The Agency reported inaccurate results for the Percent of New Individual Licenses Issued Online because it deviated from the performance measure definition by incorrectly excluding dental assistant registrations and dental

Results: Inaccurate

A measure is **Inaccurate** when the actual performance is not within 5 percent of reported performance, or when there is more than a 5 percent error in the sample of documentation tested. A measure is also inaccurate if the agency's calculation deviated from the measure definition and caused more than a 5 percent difference between the number reported to ABEST and the correct performance measure result.

laboratory licenses from the measure calculation. According to the ABEST performance measure definition, Percent of New Individual Licenses Issued Online should be calculated by dividing the number of new individual licenses, registrations or certifications issued online to individuals during the reporting period by the total number of new licenses, registrations, or certifications issued to individuals during the reporting period. The Agency reported 15.7 percent for the Percent of New Individual Licenses Issued Online; however, auditors determined the percentage should have been 2.8 percent after including dental assistants and dental laboratories.

Additionally, the ABEST performance measure definition is unclear regarding whether the number of **licenses** or the number of licensed **individuals** should be counted to calculate the measure. The measure title makes reference to licenses, while the definition and methodology make reference to the number of licensed, registered, or certified individuals. The Agency also issues licenses to dental laboratories, and the performance measure definition does not specify whether these licenses should be included in the measure calculation. The Agency included dental laboratory licenses in the calculation of Percent of Licensees Who Renew Online, but it did not include dental laboratory licenses in the calculation of Percent of New Individual Licenses Issued Online.

Although the Agency asserted that its staff performs a supervisory review of these calculations, the review is not sufficient to ensure ongoing accuracy of the performance measures. Auditors identified several errors in the supporting documentation for these performance measures, including incorrect inclusion of information, incorrect summation of information, and missing information.

Recommendations

The Agency should:

- Follow the ABEST performance measure definitions and methodologies when calculating performance measures.
- Re-examine its existing supervisory review procedures to ensure that reviews occur consistently and adequately.

- Work with the Legislative Budget Board to clarify the ABEST performance measure definition.

Management's Response

The Director of Administration will review procedures in place to update appropriate definition calculations.

Number of Licenses Renewed (Individuals): Dentists (first quarter of fiscal year 2009)

The Agency reported inaccurate results for this performance measure. The Agency could not provide supporting documentation for 5 (8.2 percent) of 61 records tested, which is more than a 5 percent allowable error rate. Adequate support is required for all performance measures.

Results: Inaccurate

A measure is **Inaccurate** when the actual performance is not within 5 percent of reported performance, or when there is more than a 5 percent error in the sample of documentation tested. A measure is also inaccurate if the agency's calculation deviated from the measure definition and caused more than a 5 percent difference between the number reported to ABEST and the correct performance measure result.

Recommendations

The Agency should retain supporting documentation to support reported performance measure results.

Management's Response

The Director of Licensing will review support documents to ensure appropriate documentation is submitted for performance measure calculations.

Number of Complaints Resolved (fiscal year 2008)

Results: Inaccurate

A measure is **Inaccurate** when the actual performance is not within 5 percent of reported performance, or when there is more than a 5 percent error in the sample of documentation tested. A measure is also inaccurate if the agency's calculation deviated from the measure definition and caused more than a 5 percent difference between the number reported to ABEST and the correct performance measure result.

The Agency reported inaccurate results for this performance measure because for 6 (9.8 percent) of the 61 complaints tested, the Agency (1) used an incorrect date as the date it resolved the complaint causing the complaint to be reported in the incorrect period or (2) could not provide supporting documentation for the date it resolved the complaint.

According to the ABEST performance measure definition, the Agency should calculate the Number of Complaints Resolved by totaling the number of complaints during the reporting period for which final action was taken by the board or for which a determination was made that a violation did not occur. However, the Agency does not always use the date on which a board member signs either a dismissal or a board

order as the date the complaint is resolved; instead the Agency used the date of the Enforcement Director's final review.

In addition, the Agency inadvertently excluded 66 complaints resolved from the performance measure results. The Agency asserted that the error occurred because the Legal Division did not report complaints it resolved to the Enforcement Division in a timely manner. Although the Agency asserted that it reviews this performance measure, the Agency was unaware that cases were not included in this measure. Adequate review of performance measure data helps to ensure that the performance measure is properly calculated and accurately reported.

The Agency also deviated from the performance measure definition by incorrectly including non-jurisdictional complaints in the reported number. The methodology section of the performance measure definition states that if a complaint, after preliminary investigation, is determined to be non-jurisdictional, then it should not be included as a complaint resolved.

Number of Complaints Resolved (first quarter fiscal year 2009)

The Agency reported inaccurate results for this performance measure because it deviated from the performance measure definition and did not report correct results, which resulted in an error rate of more than 5 percent of the reported amount.

The Agency reported 156 complaints for the first quarter of fiscal year 2009; however, auditors determined the correct number should have been 133. The Agency incorrectly included non-jurisdictional complaints in the reported amount as discussed above. In addition, the Agency did not include all complaints resolved in the correct reporting period as discussed above.

Recommendations

The Agency should:

- Follow the ABEST performance measure definition and methodology when recording the complaint resolved date used in the calculation of Number of Complaints Resolved.
- Examine its written policies and procedures to ensure that it provides sufficient information so staff can identify the correct date on which complaints were resolved.
- Include all complaints resolved during the reported period in the calculation of Number of Complaints Resolved.
- Re-examine its existing review procedures for Number of Complaints Resolved to ensure that reviews occur consistently and adequately.

Management's Response

The Director of Enforcement will reevaluate this measure definition to clarify post- investigation determinations of jurisdiction on individual allegations, and pre- investigation determination of non-jurisdiction on a complaint. Further, the Director of Enforcement and the General Counsel will develop a process to verify that both divisions are reporting data within the same timeframe to avoid one lagging behind and creating inconsistency and error in reporting performance calculations.

Average Time for Complaint Resolution (Days) (fiscal year 2008)

The Agency reported inaccurate results for this performance measure because it deviated from the performance measure definition, did not report complete results, and did not calculate the measure correctly. This resulted in an error of more than 5 percent of the reported amount.

Results: Inaccurate

A measure is **Inaccurate** when the actual performance is not within 5 percent of reported performance, or when there is more than a 5 percent error in the sample of documentation tested. A measure is also inaccurate if the agency's calculation deviated from the measure definition and caused more than a 5 percent difference between the number reported to ABEST and the correct performance measure result.

The Agency reported 377.25 days for this measure; however, auditors determined the correct number should have been 409.25.

The Agency deviated from the performance measure definition by using an incorrect date for the date the Agency received a complaint. The ABEST performance measure definition requires that this measure be calculated using the date the Agency receives the complaint; however, the Agency instead used the date an investigation was opened. As a result, when calculating this performance measure, the Agency used the incorrect date for 88

percent of the complaints reported during fiscal year 2008 and the first quarter of fiscal year 2009. The Agency stated that it was unaware that it programmed its information system to use the date on which the investigation was opened as the basis for this performance measure calculation.

Additionally, the Agency incorrectly calculated this performance measure by using a mathematically unsound method to calculate the measure. The Agency averaged the quarterly results (which were averages) instead of obtaining the underlying data for the numerator and the denominator for each quarter, adding those numbers, and then calculating the average.

In accordance with ABEST performance measure definition, the Number of Complaints Resolved (see page 20) is used in the denominator of this performance measure calculation; therefore, the same issues previously discussed regarding including non-jurisdictional complaints and incorrect reporting caused Average Time to Complaint Resolution (Days) to be inaccurate. To ensure continued accuracy, the Agency should implement the recommendations on page 21.

Recommendations

The Agency should:

- Follow the ABEST performance measure definition and methodology by using the date it receives a complaint to calculate Average Time to Complaint Resolution (Days).
- Follow the ABEST performance measure definition and methodology by correctly averaging amounts used to calculate Average Time to Complaint Resolution (Days).
- Re-examine its existing review procedures for Average Time to Complaint Resolution (Days) to ensure that reviews occur consistently and adequately.

Management's Response

The Director of Enforcement will reevaluate this measure definition to clarify post- investigation determinations of jurisdiction on individual allegations, and pre- investigation determination of non-jurisdiction on a complaint, as well as the dates being used to isolate the calculation.

Average Time for Complaint Resolution (Days) (first quarter fiscal year 2009)

The Agency reported inaccurate results for this performance measure because errors it made resulted in an error rate of more than 5 percent of the sample size.

Results: Inaccurate

A measure is Inaccurate when the actual performance is not within 5 percent of reported performance, or when there is more than a 5 percent error in the sample of documentation tested. A measure is also inaccurate if the agency's calculation deviated from the measure definition and caused more than a 5 percent difference between the number reported to ABEST and the correct performance measure result.

Auditors randomly sampled 61 of the reported complaints resolved during the first quarter of fiscal year 2009 and compared the sample to source documentation. For 6 (9.8 percent) of those 61 complaints, the Agency used an incorrect date for the date it resolved the complaint causing the complaint to be reported in the incorrect period. The issue regarding incorrect resolved dates was previously discussed above in the Number of Complaints Resolved section. To ensure continued accuracy, the Agency should implement the recommendations on page 21. For 4 (6.6 percent) of those 61 complaints, the Agency used an incorrect date for the date it received a complaint. Using the incorrect date could cause the performance measure to be misstated.

In accordance with the ABEST performance measure definition, the Number of Complaints Resolved (see page 20) is used in the denominator of this

performance measure calculation; therefore, the same issues previously discussed regarding including non-jurisdictional complaints and incorrect reporting caused Average Time to Complaint Resolution (Days) to be inaccurate. To ensure continued accuracy, the Agency should implement the recommendations on page 21.

Recommendation

The Agency should examine its written policies and procedures to ensure that it provides sufficient information so staff can identify the correct complaint received date from source documentation.

Management's Response

Agency management has received approval from the LBB to alter the method of calculation of this performance measure and will begin using the new method in FY10.

Percent of Complaints Resulting in Disciplinary Action (fiscal year 2008)

Results: Inaccurate

A measure is **Inaccurate** when the actual performance is not within 5 percent of reported performance, or when there is more than a 5 percent error in the sample of documentation tested. A measure is also inaccurate if the agency's calculation deviated from the measure definition and caused more than a 5 percent difference between the number reported to ABEST and the correct performance measure result.

The Agency reported inaccurate results for this performance measure because it reported inaccurate results for the performance measure Number of Complaints Resolved for the fiscal year 2008. According to the ABEST performance measure definition, the Number of Complaints Resolved is the denominator used to calculate the Percent of Complaints Resulting in Disciplinary Action.

In addition, the Agency incorrectly included non-jurisdictional complaints in the reported amount as previously discussed. To ensure continued accuracy, the Agency should implement the recommendations on page 21.

The performance measure definition also is unclear regarding what should be reported due to the vague description of a disciplinary action. The Agency is currently reporting the number of disciplinary actions taken on licensees as a result of a board order. According to the ABEST performance measure definition, the measure should include reprimands, warnings, suspensions, probations, revocations, or fines. Because the Agency issues admonishment letters and conditional dismissals unrelated to a board order, it is unclear whether these actions should be included in the calculation of the performance measure.

Recommendation

The Agency should consult with the Legislative Budget Board to clarify the ABEST definition and methodology for Percent of Complaints Resulting in Disciplinary Action.

Management's Response

The Director of Enforcement and the Executive Director will consult with the LBB staff for assistance in identifying actions considered 'agency' action and those considered 'Board' disciplinary action.

Number of Jurisdictional Complaints Received (fiscal year 2008)

Number of New Licenses Issued to Individuals: Dentists (fiscal year 08 and first quarter fiscal year 2009)

Number of New Licenses Issued to Individuals: Dental Hygienists (fiscal year 08 and first quarter fiscal year 2009)

Number of Licenses Renewed (Individuals): Dental Hygienists (first quarter fiscal year 2009)

Number of Licensed Individuals Participating in a Peer Assistance Program (fiscal year 08 and first quarter fiscal year 2009)

These performance measures were certified with qualification because of the control weaknesses noted that affected all performance measures discussed above (see page 15). The Agency calculated these four performance measures correctly according to the performance measure definitions. To ensure continued accuracy, the Agency should implement the recommendations on pages 15 and 16.

Results: Certified with Qualification

A measure is Certified With Qualification when reported performance appears accurate but the controls over data collection and reporting are not adequate to ensure continued accuracy. A measure is also certified with qualification when controls are strong but source documentation is unavailable for testing. A measure is also certified with qualification if agency calculation of performance deviated from the measure definition but caused less than a 5 percent difference between the number reported to ABEST and the correct performance measure result.

The Number of Licensed Individuals Participating in a Peer Assistance Program was also certified with qualification because the Agency's procedures for calculating this measure lacked an additional control. The Agency relies on reports from the Pharmacy Recovery Network, an external entity, for supporting documentation for this performance measure. The Agency does not inquire about the Pharmacy Recovery Network's policies and procedures for collecting and reporting data to the Agency. The Agency calculated this performance measure correctly according to the performance measure definition.

For the Number of New Licenses Issued to Individuals: Dentists and the Number of New Licenses Issued to Individuals: Dental Hygienists, the Agency deviated from the measure definitions by including licenses that it

issued to individuals who previously held canceled licenses in its reported results. According to the measure definitions, these measures should include the number of licenses issued to previously unlicensed individuals during the reported period. However, the Agency included 6 dentists and 8 dental hygienists in the reported results for fiscal year 2008 and 2 dentists and 1 dental hygienist in the reported results for the first quarter of fiscal year 2009 who were previously licensed. The deviations did not result in an error greater than 5 percent of the correct results for these measures.

Recommendations

The Agency should:

- Implement a review of the information regarding Number of Licensed Individuals Participating in a Peer Assistance Program that it receives from an external entity.
- Request policies and procedures from external entities and inquire about those entities' procedures for collecting and reporting information the Agency uses to report its performance measures.
- Follow the measure definitions or consult with the Legislative Budget Board to clarify the ABEST definitions and methodologies for Number of New Licenses Issued to Individuals: Dentists and Number of New Licenses Issued to Individuals: Dental Hygienists.

Management's Response

The Director of Administration will confer with the Agency's peer assistance program director to clarify and document reports from external entities. The Director of Licensing and the Executive Director will consult with LBB staff to clarify definitions for cited measures, specifically to ask if a former licensee (no longer under SBDE jurisdiction) would be considered 'new' if they subsequently apply for another license.

Appendices

Appendix 1

Objective, Scope, and Methodology

Objectives

The objectives of this audit were to determine whether the Texas State Board of Dental Examiners (Agency):

- Is accurately reporting its performance measures to the Automated Budget and Evaluation System of Texas (ABEST).
- Had adequate control systems in place over the collection, calculation, and reporting of its key performance measures.
- Had implemented prior State Auditor's Office recommendations regarding its information technology systems.

Scope

For performance measure certification, the scope of this audit included 12 key performance measures for fiscal year 2008 and 7 key performance measures for the first quarter of fiscal year 2009. Auditors reviewed controls over the collection, calculation, and submission of data used in reporting performance measures and traced performance measure documentation to the original source when available.

For the follow up of prior State Auditor's Office recommendations, the scope included the time period since the prior audit of automated systems.

Methodology

The audit methodology consisted of selecting twelve key performance measures for fiscal year 2008 and 7 key performance measures for the first quarter of fiscal year 2009, auditing reported results for accuracy and adherence to performance measure definitions, evaluating controls over the performance measure certification process, and testing of original source documentation when possible. The Agency completed questionnaires related to its performance measurement processes to help identify preliminary control information.

The audit methodology also included downloading information from the agency's five automated systems, analyzing the information within the automated systems, and comparing the information between systems.

Specific tests and procedures included:

- Auditing performance measure calculations for accuracy and to ensure they were consistent with the methodology on which the Agency and the Legislative Budget Board agreed.
- Analyzing data flow to evaluate whether proper controls were in place.
- Reviewing policies and procedures for adequacy.
- Testing a sample of source documents, when available, to verify the accuracy of reported performance.
- Conducting a review of all automated systems that support the Agency's performance measure data.
- Certifying performance measure results in one of four categories: (1) certified, (2) certified with qualifications, (3) inaccurate, and (4) factors prevented certification.

Criteria used included the following:

- *Guide to Performance Measure Management* (State Auditor's Office Report No. 06-329, August 2006).
- ABEST performance measure definitions.
- Title 1, Texas Administrative Code, Chapters 101, 103, and 202.
- Agency policies and procedures.
- Texas Code of Criminal Procedure.

Project Information

Audit fieldwork was conducted from April 2009 through June 2009. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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

- Tracy L. Jarratt, CPA, MAcy (Project Manager)
- Darrell Edgar, CFE (Assistant Project Manager)
- W. Chris Ferguson, MBA

- John G. Rios
- Barrett Sundberg, MPA, CIA
- Rachelle Wood, MBA, CISA (Information Systems Audit Team)
- Leslie P. Ashton, CPA (Quality Control Reviewer)
- Verma L. Elliott, MBA, CIA, CGAP (Audit Manager)

Related State Auditor's Office Work

Related State Auditor's Office Work		
Number	Product Name	Release Date
05-050	An Audit Report on the Texas State Board of Dental Examiners	August 2005
02-050	An Audit Report on Internal Controls and Financial Processes at the Texas State Board of Dental Examiners	June 2002

Copies of this report have been distributed to the following:

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The Honorable Jim Pitts, House Appropriations Committee
The Honorable Rene Oliveira, House Ways and Means Committee

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Dr. William R. “Bill” Birdwell
Dr. Maxwell Finn
Dr. Tamela L. Gough
Ms. Alicia Grant
Ms. Whitney Hyde
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