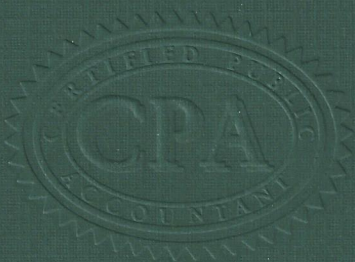


INTERNAL AUDIT OF THE
PROGRAM RECORDS MANAGEMENT

AS OF AUGUST 31, 2021

AT THE
TEXAS ANIMAL HEALTH COMMISSION

(REPORT NO: TAHC 021-003)



MONDAY RUFUS & CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS



MONDAY RUFUS & CO., P.C.
Certified Public Accountants & Advisors

Audit Committee
and Commissioners
Texas Animal Health Commission
Austin, Texas

We have conducted an internal audit (audit) of the Program Records Management at the Texas Animal Health Commission (Commission) with respect to the reliability and integrity of information, compliance with rules, policies, procedures, laws, and regulations, safeguarding of assets, economical and efficient use of resources, and accomplishment of established objectives and goals for operations as of August 31, 2021. The results of our tests disclosed that, generally, the region has controls in place to ensure the reliability and integrity of information, compliance with rules, policies, procedures, laws, and regulations, safeguarding of assets, economical and efficient use of resources, and accomplishment of established objectives and goals for operations. However, we noted an opportunity to enhance the processes in place.

The report that accompanies this letter summarizes our comments.

We appreciate the courtesy and cooperation the management of the Commission showed during the course of the engagement.

Monday Rufus & Co., P.C.

August 31, 2021
Austin, Texas

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Executive Summary

The Texas Animal Health Commission's (Commission) enabling statutes are in Chapters 161 through 168 of the Texas Agriculture Code, Vernon's Annotated Texas Statutes. The Commission is vested with the responsibility of protecting all livestock, domestic animals, and domestic fowl from diseases stated in the statute, and is authorized to regulate the entry of livestock, domestic animals, and domestic fowl into the state; and control the movement of livestock. The Commission is funded by a combination of state general revenue funds and federal funds from the United States Department of Agriculture (USDA). The Commission's staff of 220.2 full-time-equivalent (FTEs) is comprised of field inspectors, veterinarians, epidemiologists, laboratory personnel, and administrative staff. The Commission works closely with local, state, federal, livestock producers, industry partners, and the public, on animal health issues. The Commission is also supported by the veterinary community and the USDA to assure proper tracing of the movement of exposed and infected animals to determine the origin of infection and minimize the transmission of disease.

The Commission has established processes used for the surveillance of livestock and for the prevention, eradication, and control of livestock diseases. There are processes to test livestock for diseases, monitor the movement of livestock, and take action on diseased livestock. The Commission has implemented control systems to ensure the reliability and integrity of information; compliance with policies, procedures, applicable laws and regulations; and the efficiency and effectiveness of its operations to the extent possible with available resources.

Program Records Management staff receive, input into databases, and maintain records necessary to document specific state and federal disease eradication program activities. Program Records Management also issues and monitors Texas entry (E-permits) for domestic and exotic animals and fowl entering Texas from other states. The Program Records Management staff also maintain current information on veterinarians who have been accredited by the United States Department of Agriculture (USDA) and conduct animal disease testing in Texas.

The Commission recently implemented a new database system. The TexCore database system is an internet based computerized animal identification, herd registration, movement control, tracking and tracing system. The database is designed to assist Animal Health Officials in protecting animal and veterinary public health. This system replaces the Profiler and other automated database systems. TexCore database is a relational database system.

Internal Audit Results

The Program Records Management has controls in place to ensure the reliability and integrity of information, compliance with rules, policies, procedures, laws, and regulations, safeguarding of assets, accomplishment of established objectives and goals for operations. A new database system (TexCore) was recently implemented to serve as a multipurpose animal health internet-based system that maintains animal health records. The training on how to use this system is on-going. To promote efficiency and effectiveness, management of the Commission should consider evaluating the feasibility of automating the generation and delivery of E-permit delinquency reports.

There were no other deficiencies detected in the audit of the Program Records Management that are significant to the objectives of this audit. Any insignificant issues noted have been communicated to the management of the Commission as required by *Government Auditing Standards*.

Summary of Management's Response

At this time, we have reviewed the audit findings, and would agree it would be very beneficial if TexCore would automatically send reminders of upcoming delinquent permits. As you know TexCore was recently implemented at Texas Animal Health Commission, and it is a work in progress. The Program Records Department is currently looking into ways of having the system automatically send updates and Delinquent Permit Lists to regions. TexCore is more of a true database system instead of a work-flow system, and this is making this task very difficult. We will continue to research and work diligently to make updates to our permitting system to insure the most efficient results.

Objectives and Results

The primary objectives of the internal audit were:

1. Reliability and Integrity of Information
2. Compliance with Policies, Procedures, Laws, and Regulations
3. Safeguarding of Assets
4. Economical and Efficient Use of Resources
5. Accomplishment of Established Objectives and Goals for Operations

RESULTS

Internal Audit Objective 1: Reliability and Integrity of Information.

Controls are in place to ensure that reports generated from the data received and entered into the various databases is communicated to appropriate animal health care personnel and professionals.

The Commission has policies and procedures for the processing of informational data received regarding statewide animal health activities.

Internal Audit Objective 2: Compliance with Policies, Procedures, Laws, and Regulations.

E-permits entered into the TexCore Database system have the actual permit verification date which is when the inspectors verified the movement of animals. Additionally, the TexCore database system contains a true “verification date” and other notes field. That is important in ensuring the database documents compliance with required animal movement timeframes.

Internal Audit Objective 3: Safeguarding of Assets.

The Commission has policies in place to provide assurance that agency staff is proficient in the performance of their duties regarding data input into the database systems.

Internal Audit Objective 4: Economical and Efficient Use of Resources

A new database system (TexCore) was recently implemented to serve as a multipurpose animal health internet-based system that maintains animal health records. The training on how to use this system is on-going. The Commission has also provided policies in place to provide assurance that agency staff is proficient in the performance of their duties regarding data input into the database systems.

Finding #1

Evaluate Automating E-permit Delinquency Reports

Criteria

A good internal control would ensure that E-permits are verified timely and that delinquent reports are generated and forwarded to the region offices and inspectors in a timely manner, and without possible significant interruptions arising from human error.

Condition

E-permit delinquency reports are manually generated monthly by the Program Records Management personnel and sent to the respective region offices to remind them of permits not yet verified by the due date. This is a good control to ensure that inspectors verifying assigned E-permits within the required timeframe of 30 days of being issued as required by Texas Administrative Code, Title 4, Part 2 Chapter 51, Rule §51.1. This control could be improved by automating this process whereby periodic reminders are sent to the region offices and inspectors at least a week prior to the expiration of the 30 day timeframe and on the expiration date of the E-permit. This facilitates timely monitoring of E-permits in lieu of manually generated reports at random times.

Cause

The Commission’s internal control has not been designed to evaluate the possibility of generating the delinquency reports automatically.

Effect

Automating the E-permit delinquency report process would ensure efficiency and effectiveness, increase timely compliance, and ultimately safe assets in the long run.

Recommendation

The management of the Commission should be consider evaluating the feasibility of automating generation and delivery of E-permit delinquency reports. As a part of the evaluation process, management should also consider the cost and benefits of embarking on such information technology project.

Management's Response

At this time, we have reviewed the audit finding, and would agree it would be very beneficial if TexCore would automatically send reminders of upcoming delinquent permits. As you know TexCore was recently implemented at Texas Animal Health Commission, and it is a work in progress. The Program Records Department is currently looking into ways of having the system automatically send updates and Delinquent Permit Lists to regions. TexCore is more of a true database system instead of a work-flow system, and this is making this task very difficult. We will continue to research and work diligently to make updates to our permitting system to insure the most efficient results.

Responsible Person for implementation: Dusty Boullion, Program Records Manager

Completion Date: On going

Internal Audit Objective 5: Accomplishment of Established Objectives and Goals for Operations

The Program Records Management has controls in place to ensure the reliability and integrity of information, compliance with rules, policies, procedures, laws, and regulations, safeguarding of assets, accomplishment of established objectives and goals for operations. A new database system (TexCore) was recently implemented to serve as a multipurpose animal health internet-based system that maintains animal health records. The training on how to use this system is on-going. To promote efficiency and effectiveness, management of the Commission should consider evaluating the feasibility of automating the generation and delivery of E-permit delinquency reports.

Appendix 1

Objective and Scope, and Methodology

Objective

The primary objective of the audit was to evaluate the following:

- *Reliability and Integrity of Information*
- *Compliance with Policies, Procedures, Laws, and Regulations*
- *Safeguarding of Assets*
- *Economical and Efficient use of Resources*
- *Accomplishment of Established Objectives and Goals for Operations*

Scope

The audit scope of the internal audit work included ensuring compliance with the Texas Agriculture Code, Texas Animal Health Commission rules, operating policies and procedures. The scope included interviews with Program Records Manager and staff. Review of the E-permit database system (TexCore), and pertinent Program Records Management reports and documents. The Commission is still in the process of fully incorporating most of the program record systems into the TexCore database system. However, we concentrated our audit procedures on the overall implementation of the E-permit processes within the TexCore system.

Methodology

We reviewed the standard operating procedures for Program Records Management, interviewed the Program Records Manager and staff, and reviewed other pertinent records and reports.

Data Reliability and Completeness

We obtained an understanding of the TexCore database system implemented in Fiscal Year 2021 and E-permit processing procedures. To ensure reliability, validity, and completeness of the data, we gained an understanding of logical access and general controls and tested those controls as appropriate.

Sampling Methodology

We selected sample sizes of data from the TexCore database system. Those sample sizes were not necessarily representative of the population as the intent was not to project test results to the population.

Information collected and reviewed included the following:

- Agency policies and procedures, rules, and regulations
- General Appropriation Act (FY 2020-2021)
- Texas Animal Health Commission Website

Procedures and tests conducted included the following:

- Interviewed the Program Records Manager and staff to obtain an understanding of the Program Records functions and activities and controls in place.
- Tested for accuracy and reliability of information being entered into the TexCore data base system.
- Tested for accuracy, reliability, and timing of entry permits (E-permit) information processed and entered into the Commission's TexCore Database system

Criteria Used included the following:

- Chapter 161 through 168 of the Texas Agriculture Code, Vernon's Annotated Texas Statutes
- Texas Administrative Code, Title 4, Part 2 Chapter 51, Rule §51.1.
- Texas Animal Health Commission Intranet Policies and Procedures
- Commission's Website
- Review of other pertinent reports and documents

Other Information

Our internal audit was conducted 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 internal audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our internal audit objectives. Our internal audit also conforms with the Institute of Internal Auditor's (IIA) *International Standards for the Professional Practice of Internal Auditing*.

Background

In 1893, the agency was created to combat the fever tick that plagued the Texas cattle industry. Since then, the Texas Animal Health Commission (Commission) and the United States Department of Agriculture (USDA) have worked cooperatively with livestock producers on animal health issues. In recent years, the agency's primary objectives have been to control and eradicate livestock diseases, such as: Brucellosis in cattle and swine; tuberculosis in cattle; goats and cervidae; hog cholera in swine; pseudorabies in swine; scabies in cattle and sheep; Venezuelan equine encephalomyelitis (VEE); and equine infectious anemia (EIA) in horses.

The Commission's enabling statutes are in Chapters 161 through 168 of the Texas Agriculture Code, Vernon's Annotated Texas Statutes. The Commission is vested with the responsibility of protecting all livestock, domestic animals, and domestic fowl from diseases stated in the statute, or recognized as maladies by the veterinary profession. The Commission is authorized to act to eradicate or control any disease or transmission of any disease that affects livestock, exotic livestock, domestic animals, domestic fowl, exotic fowl, or canines, regardless of whether or not the disease is communicable. In order to carry out these duties and responsibilities, the Commission is authorized to control the sale and distribution of all veterinary biologics, except rabies vaccine; regulate the entry of livestock, domestic animals, and domestic fowl into the state; and control the movement of livestock.

To carry out its mission, the Commission is supported by the veterinary community, competent laboratory system and epidemiology activities which oversee the diagnosis of diseases, and assures appropriate tracing of the movement of exposed and infected animals to determine the origin of infection and minimize the transmission of disease.

The Commission is composed of thirteen members who are appointed by the Governor with the advice and consent of the Senate. The Governor designates the Chair.

The Commissioners appoint an Executive Director who supervises the Commission's activities. The Commission's operating budget is prepared and approved by the Commissioners on an annual basis, whereas the State legislative appropriation request is determined every two years. Both the budget and appropriations are reviewed and approved by the State Legislature.

The Commission is funded by a combination of state general revenue funds, federal funds from the U.S. Department of Agriculture (USDA), and fee-based revenue. For fiscal years 2020 and 2021 the Commission has an authorized workforce of 220.2 full-time equivalent employees (FTEs), respectively. The Commission's staff is comprised of field inspectors, veterinarians, veterinary epidemiologists, laboratory personnel, emergency management planners, field investigators, and administrative staff.

Appendix 3

Report Distribution

As required by Gov't Code 2102.0091 copies of this report should be filed with the following:

Governor's Office of Budget and Planning

Attn: Sarah Hicks
Phone: (512) 463-1778
Budgetandpolicyreports@gov.texas.gov

Legislative Budget Board

Attn: Christopher Mattsson
Phone: (512) 463-1200
Audit@lbb.state.tx.us

State Auditor's Office

Attn: Internal Audit Coordinator
Phone: (512) 936-9500
iaordinator@sao.texas.gov

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Texas Animal Health Commission Management

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