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Key Points of Report

An Audit Report on Performance Measures at 25 State Agencies and Educational Institutions

Phase 14 of the Performance Measures Reviews

November 2000

Overall Conclusion

Sixty-five percent of the 105 performance measures reviewed during this performance measures audit are reliable. The remaining 35 percent could be improved if management placed greater emphasis on review procedures and on applying measure definitions as intended.

Ten of thirteen universities reported inaccurate data for the State Pass Rate of the Education ExCET exam performance measure. Due to the complexity of the ExCET measure and the various calculations needed to achieve the correct result, most of the universities over-reported their results by more than 5 percent for fiscal year 1999. The methodology developed by the Legislative Budget Board and State Auditor's Office, which is described in this report, should help universities calculate the measure correctly.

Key Facts and Findings

- Sixty-five percent of 105 measures reviewed were reliable. This is a 20-percent increase in reliability over the May 2000 performance measures audit. Thirty percent of the audited measures were inaccurate, and factors prevented certification of the remaining five percent.
- Ten of the thirteen universities audited for the performance measure State Pass Rate of the Education ExCET Exam reported inaccurate data. The three universities that reported results within plus or minus 5 percent of the result recreated by the State Auditor's Office did not use the appropriate methodology to achieve them. The methodology described in this report should help universities calculate the measure correctly.
- Inadequate source documentation, failure to follow measure definitions, calculation errors, inadequate policies and procedures, and insufficient supervisory reviews were the primary causes of unreliable measures.
- The following seven entities' audited measures achieved 100 percent reliability:
 - Texas Agricultural Extension Service
 - Texas State Technical College – Waco
 - Texas State Technical College – Sweetwater
 - Texas State Technical College – Harlingen
 - Stephen F. Austin State University
 - University of Houston – Victoria
 - Lamar State College – Port Arthur

Contact

Elizabeth S. Arnold, CIA, CGFM, Audit Manager, (512) 936-9500



Office of the State Auditor

Lawrence F. Alwin, CPA

This audit was conducted in accordance with Government Code, Section 2101.038, and the Lieutenant Governor's Budget Reform Proposal, as adopted by the Legislative Budget Board on November 18, 1991, and in cooperation with the Legislative Budget Board.

Executive Summary

Sixty-Five Percent of Performance Measures Sampled at 25 Agencies and Educational Institutions Are Reliable

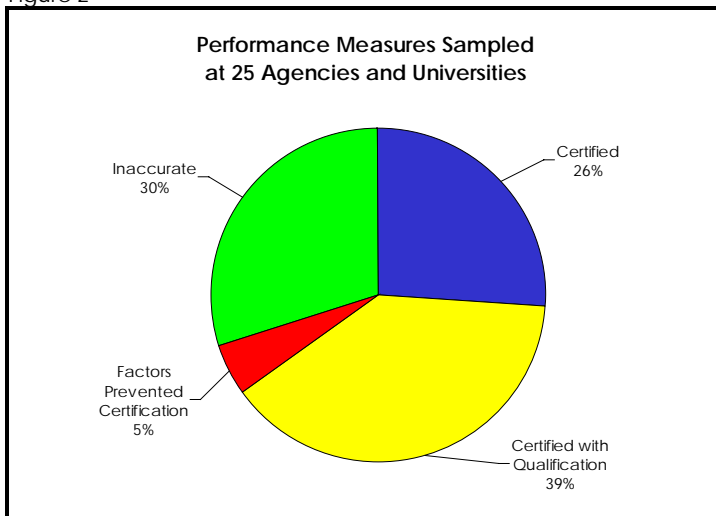
Sixty-five percent of the 105 performance measures at 25 agencies and educational institutions were reliable. A performance measure is reliable if it has been categorized as Certified or Certified With Qualification. (See Figure 1.)

Figure 1

Categories	Definitions
Certified	Reported performance is accurate within +/-5 percent and controls appear adequate to ensure accuracy for collecting and reporting performance data.
Certified With Qualification	Reported performance appears accurate, but the controls over data collection and reporting are not adequate to ensure continued accuracy.
Factors Prevented Certification	Actual performance cannot be determined because of inadequate controls and inadequate documentation.
Inaccurate	Reported performance is not within +/-5 percent of actual performance or there is more than a 5 percent error rate in supporting documentation.

Factors prevented certification for 5 percent of the performance measures. We found 30

Figure 2



percent of the measures to be inaccurate (see Figure 2).

As reflected in Figure 3 on the following page, the May 2000 and November 2000 performance measure certification audits showed lower reliability rates than the prior four audits. This decrease in reliability may be because the majority of the agencies and educational institutions were receiving certification audits for the first time.

The May and November 2000 rates of certification are more consistent with the certification rate from fiscal years 1994 through 1996 when we first evaluated performance measures.

Universities Are Inaccurately Reporting the Percentage of Certified Teachers From Undergraduate Programs

Ten of the 13 universities audited for the performance measure State Pass Rate of the Education ExCET Exam reported inaccurate data to the Automated Budget and Evaluation System of Texas (ABEST). The three universities that reported results within plus or minus 5 percent of the number recreated by the State Auditor's Office did not use the appropriate methodology to achieve them. The ExCET exam is the examination teachers take in order to be certified to teach.

Universities are not calculating this performance measure according to the measure definition, which is the major reason for the inaccurate reporting. Due to the complexity of the ExCET measure and the various calculations needed to achieve

Executive Summary, continued

the correct result, most of the universities over-reported their performance measure results by more than 5 percent for fiscal year 1999. The State Auditor's Office and the Legislative Budget Board worked together to identify problems and to clarify the method that should be used to calculate this performance measure.

The following are common errors noted when calculating this performance measure:

- Universities are reporting on accreditation status instead of certification status.
- Universities are not verifying students' graduation data.
- Universities are reporting on students with non-teaching certifications.
- Universities are reporting on students who have received undergraduate degrees from other universities.

- Universities are reporting on students who take the test for Delivery or Endorsement Systems.

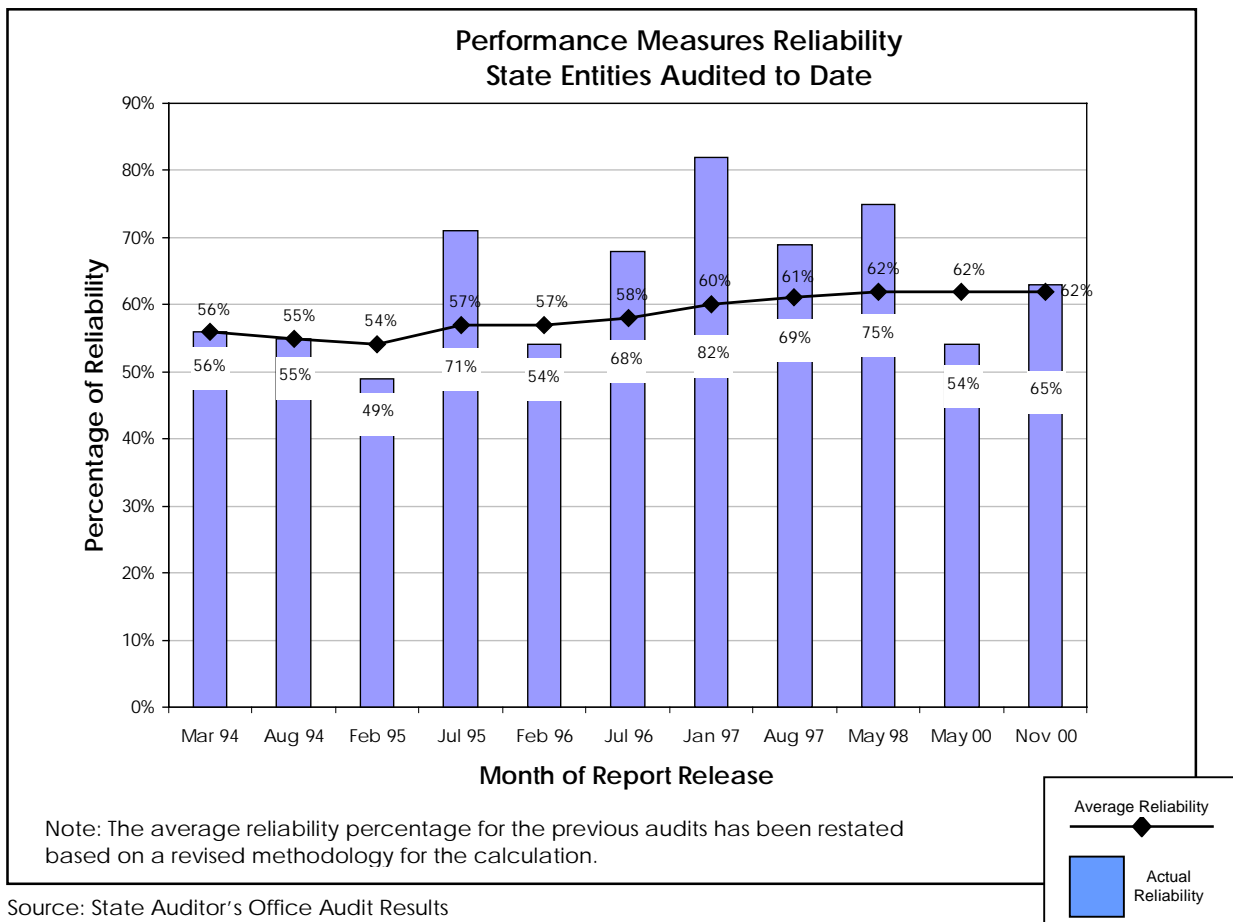
Section 2 of this report discusses in detail the problems with the ExCET measure and also explains the correct way to calculate the performance measure.

Additional Review Procedures Could Further Increase Performance Reporting Reliability

Thirty-five percent of the measures reviewed were unreliable. The primary causes of unreliable performance reporting were:

- Inadequate policies and procedures exist on how to collect necessary data and calculate measures.

Figure 3



Executive Summary, continued

- Performance calculations are not performed according to the measure definition.
- Lack of supervisory review occurs during the measure calculation and reporting phases.
- Inadequate supporting documentation exists.

To improve the reliability of their performance measurement systems, agencies and educational institutions should follow these procedures to prevent or detect reporting errors:

- Review data submitted by field offices and third parties for accuracy and completeness.

- Review the measure calculation for consistency with the measure definition and mathematical accuracy.
- Review supporting documentation for accuracy and completeness.
- Compare the final results submitted to the Legislative Budget Board with the summary documentation to ensure data-entry accuracy.

The *Guide to Performance Measure Management* (SAO Report No. 00-318, December 1999) provides additional information on improving performance measurement reliability. The *Guide* is also available on the State Auditor's Office website at www.sao.state.tx.us (click on Resources, then Performance Measures).

Table 1 provides an overview of the current results.

Table 1

Current Audit Results						
Name	Certified	Certified With Qualification	Factors Prevented Certification	Inaccurate	Total Measures Audited	Reliability Percentage
Agencies Audited						
Travis County District Attorney's Performance Measure Certification Results as Reported to the Comptroller's Office-Judiciary Section		3		3	6	50%
The Texas Lottery Commission	1	4	2	1	8	63%
Educational Institutions Audited						
Texas Agricultural Extension Services	6				6	100%
Texas Veterinary Medical Diagnostic Laboratory		2	2		4	50%
Texas Engineering Experiment Station	3		1	1	5	60%
Texas Engineering Extension Service		1		4	5	20%
Texas Southern University				4	4	0%
Texas State Technical College - Harlingen	4	1			5	100%
Texas State Technical College - Sweetwater	4	1			5	100%
Texas State Technical College - Waco	4	1			5	100%
Texas Woman's University		3		1	4	75%
Midwestern State University		2		2	4	50%

Executive Summary, continued

Table 1

Current Audit Results						
Name	Certified	Certified With Qualification	Factors Prevented Certification	Inaccurate	Total Measures Audited	Reliability Percentage
Sul Ross State University Rio Grande College		1		2	3	33%
The University of Texas of the Permian Basin	1			3	4	25%
The University of Texas at Brownsville		1		2	3	33%
The University of Texas at Tyler		1		2	3	33%
Stephen F. Austin State University		4			4	100%
Sul Ross State University		2		2	4	50%
West Texas A&M University		3		1	4	75%
Texas A&M University – Texarkana		2		1	3	66%
University of Houston – Victoria		3			3	100%
University of Houston – Downtown		3		1	4	75%
Lamar State College – Orange	2			1	3	66%
Lamar State College – Port Arthur		3			3	100%
Lamar Institute of Technology	2			1	3	66%
Totals	27	41	5	32	105	N/A
Percentage	26%	39%	5%	30%	100%	65%

Summary of Management Responses

Responses indicate that management of the agencies and educational institutions generally agree with our recommendations for improvement. Responses to the audit findings were provided by the audited entities' management and are included in this report.

Summary of Audit Objectives and Scope

The primary objective of this audit was to determine the accuracy of key performance measures reported to the Automated Budget and Evaluation System of Texas (ABEST) database.

We reviewed related control systems for adequacy. We also provided assistance to entities with collection and reporting problems. Performance information was traced to the original sources when possible.

Additionally, the State Auditor's Office implemented a self-assessment tool to assist in auditing these performance measures and to help agencies improve their performance measurement processes. All entities (except the Comptroller's Judiciary Section and the Texas Lottery Commission) completed questionnaires. Certain entities, selected on the basis of risk, were asked to perform tests on their own source documentation. The State Auditor's Office assessed and reviewed all information submitted by the universities.

Results, Findings, and Management Responses

Travis County District Attorney's Performance Measure Certification Results as Reported to the Comptroller's Office-Judiciary Section

Travis County District Attorney's Performance Measure Certification Results as Reported to the Comptroller's Office-Judiciary Section (Agency 241) ¹				
Related Objective Or Strategy	Classification and Description Of Measure	Results Reported	Certification Results	Auditor Comments
1-1-1	Outcome – Motor Fuel Tax Restitution Recovered by Comptroller/PIU Cases	273,053	Inaccurate	Four mathematical errors and payments occurring outside the reporting period existed in the calculation of the measure result, however, the errors totaled less than one percent of the amount reported.
1-1-2	Outcome – Motor Fuel Tax Restitution Ordered Paid to Comptroller/PIU Cases	395,000	Certified With Qualification	Procedures for collecting and reviewing data before final submission in ABEST should be documented and implemented.
1-1-3	Outcome – Insurance Fraud Restitution Recovered by State Guaranty Fund or Victims	66,550	Inaccurate	The amount reported was understated by 12%.
1-1-4	Outcome – Insurance Fraud Restitution Ordered Paid	245,374	Certified With Qualification	Procedures for collecting and reviewing data before final submission in ABEST should be documented and implemented.
1-1-5	Outcome – State/General Restitution Recovered	26,614	Inaccurate	Three mathematical errors and payments occurring outside the reporting period existed in the calculation of the measure result, however, the errors totaled less than one percent of the amount reported.

¹ The performance measures are listed under Agency 241 as they appear in the General Appropriations Act for the Seventy-fifth session. This information is developed by the Travis County District Attorney's Office.

For all performance measures listed, the information reported by the Judiciary Section of the Comptroller's Office comes from the Travis County District Attorney's Office. For the restitution recovered performance measures, the District Attorney's Office goes to the Travis County Probation Office to query their system to determine the amount of restitution recovered. For restitution ordered paid performance measures, the District Attorney's Office queries its internal database to determine the amount of restitution ordered paid. These numbers are forwarded to the Comptroller's Office for reporting into the ABEST system. The attached letter explains the expectations of the Legislative Budget Board (LBB) and the Governor's Office of Budget and Planning (GOBP) regarding the reporting relationship between the Judiciary Section of the Comptroller's Office and the District Attorney's Office.

Travis County District Attorney's Performance Measure Certification Results as Reported to the Comptroller's Office-Judiciary Section (Agency 241) ¹				
Related Objective Or Strategy	Classification and Description Of Measure	Results Reported	Certification Results	Auditor Comments
1-1-6	Outcome – General Fraud Restitution Ordered Paid in PIU Cases	25,227	Certified With Qualification	Procedures for collecting and reviewing data before final submission in ABEST should be documented and implemented.
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>A measure is Certified With Qualifications when reported performance appears accurate but the controls over data collection and reporting are not adequate to ensure continued accuracy. Measures are also considered CQ when controls are adequate but data is not available.</p> <p>Factors Prevent Certification when actual performance cannot be determined due to inadequate controls or insufficient source documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance.</p>				

¹ The performance measures are listed under Agency 241 as they appear in the General Appropriations Act for the Seventy-fifth session. This information is developed by the Travis County District Attorney's Office.

For all performance measures listed, the information reported by the Judiciary Section of the Comptroller's Office comes from the Travis County District Attorney's Office. For the restitution recovered performance measures, the District Attorney's Office goes to the Travis County Probation Office to query their system to determine the amount of restitution recovered. For restitution ordered paid performance measures, the District Attorney's Office queries its internal database to determine the amount of restitution ordered paid. These numbers are forwarded to the Comptroller's Office for reporting into the ABEST system. The attached letter explains the expectations of the Legislative Budget Board (LBB) and the Governor's Office of Budget and Planning (GOBP) regarding the reporting relationship between the Judiciary Section of the Comptroller's Office and the District Attorney's Office.



STATE OF TEXAS
OFFICE OF THE GOVERNOR

June 1, 2000

GEORGE W. BUSH
GOVERNOR

Lawrence F. Alwin, CPA
State Auditor's Office
Robert E. Johnson Bldg., Suite 4.224
Austin, TX 78711-2067

Dear Mr. Alwin:

The Comptroller's Office recently expressed concern regarding preliminary findings by the State Auditor's Office on the Public Integrity Unit's performance measures, as contained within the appropriation bill pattern for the Judiciary Section, Comptroller's Department. We understand these preliminary findings to indicate that the Comptroller maintains the authority and responsibility for supervisory review and implementation of these performance measures.

While the Comptroller disburses state funds to the Public Integrity Unit for office expenses and salaries, the Comptroller has neither a supervisory nor an administrative role over the operations of this agency. The Comptroller merely serves as a conduit for the dispersal of state funds to the Public Integrity Unit.

For these reasons, it is the understanding of the Governor's Office of Budget and Planning and the Legislative Budget Board that the Comptroller is not responsible for the actual performance of the Public Integrity Unit as reported in ABEST or the integrity of the measure definitions for certification purposes as was developed by the Public Integrity Unit.

We appreciate your attention in this matter. If you should have any questions, please advise.

Sincerely,

Handwritten signature of Albert Hawkins in black ink.

Albert Hawkins, Director
Governor's Office of Budget and Planning

Handwritten signature of John Keel in black ink.

John Keel, Director
Legislative Budget Board

AH:DR:oj

cc: Susan Driver, Office of the Comptroller

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| Texas Lottery Commission

Texas Lottery Commission (Agency No. 362) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome – State Revenue Received per Advertising Dollar Expended	\$25.55	Inaccurate	See finding.
A.1.1	Output – Number of Retailer Business Locations Licensed	16,710	Certified	The Commission should not include retail claim centers in the computation of this measure. The recalculated result was 16,563. The Commission should work with the Legislative Budget Board to clarify the measure definition.
A.1.1	Efficiency – Average Cost per Retailer Location License Issued	\$84.43	Certified With Qualification	At the time of fieldwork, the Commission used a calculation method for the year-to-date performance reporting that was incorrect. The recalculated result was \$80.53. We have since verified that the Commission corrected the data in the Automated Budget and Evaluation System of Texas (ABEST) and is using the correct calculation method.
A.1.2	Output – Number of Surveys Issued to Retailers	61,119	Certified With Qualification	The Commission should use actual numbers instead of estimates to comply with the definition. The recalculated result was 58,456. The Commission should retain source documentation to support the number reported in ABEST. The Commission should provide a secondary review of information before it is submitted to the ABEST Coordinator. At the time of fieldwork, the Commission did not have documented policies and procedures regarding gathering, reporting, and reviewing data before it is submitted to the ABEST Coordinator. The Commission has since documented policies and procedures for this measure.
A.1.2	Efficiency – Average Cost per Survey Issued	\$ 7.08	Factors Prevented Certification	See finding.

Texas Lottery Commission (Agency No. 362) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A.1.3	Efficiency – Percentage of Adult Texans Aware of Lottery Advertising	62.83 %	Certified With Qualification	The Commission should use raw data to calculate quarterly and year-to-date performance because the calculation method it used to obtain these numbers is incorrect. An “average of an average” was calculated. (Add 4 quarters and divide by 4). The recalculated result was 62.88 percent. At the time of fieldwork, the Commission did not have documented policies and procedures regarding gathering, reporting, and reviewing data before it is submitted to the ABEST Coordinator. The Commission has since documented policies and procedures for this measure.
A.1.4	Output – Number of Lottery Complaints Resolved	614	Certified With Qualification	The recalculated result was 599. At the time of fieldwork, the Commission did not have documented policies and procedures regarding gathering, reporting, and reviewing data before it is submitted to the ABEST Coordinator. The Commission has since documented policies and procedures for this measure.
A.1.4	Efficiency – Average Cost per Complaint Resolved	\$132.25	Factors Prevented Certification	See finding.
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined because of inadequate controls.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST report

Texas Lottery Commission

Key Performance Measures

- Average Cost per Survey Issued
- Average Cost per Complaint Resolved
- State Revenue Received per Advertising Dollar

The Texas Lottery Commission (Commission) received the certification of Factors Prevented Certification for the following performance measures: Average Cost per Survey Issued and Average Cost per Complaint Resolved. State Revenue Received per Advertising Dollar was certified as Inaccurate. For several of its performance measures, the Commission did not have documented policies and procedures regarding gathering, reporting, and reviewing data before submitting it to the ABEST Coordinator.

Factors prevented the certification of the Average Cost per Survey Issued because the costs used to compute it could not be verified. The Commission did not have documentation to support reported cost rates used in the formula, nor did it retain documented cost calculations. The denominator portion of the computation was based on estimates. This measure could not be recalculated.

Factors prevented the certification of the Average Cost per Complaint Resolved because the standard labor rate of six hours per complaint resolved could not be supported. In addition, the formula used to compute the total costs is not responsive to differing levels of activity; therefore, it does not identify changes in efficiencies.

The Commission should use raw data to calculate year-to-date performance for these measures. The present calculation method used to obtain year-to-date performance is incorrectly calculated as an “average of an average” by adding the totals of the four quarters and then dividing by four.

State Revenue Received per Advertising Dollar was certified as inaccurate because the Commission used two different accounting bases for the calculation. The Commission used the cash basis for school fund transfers in the numerator of its formula but used a budgeted basis for advertising expenditures in the denominator. Using this formula, the Commission reported \$25.55; however, using the cash basis accounting method consistently, as described in the definition, the amount was recalculated to be \$28.92.

Recommendation:

The Commission should ensure that it has documented, approved, and implemented policies and procedures for all performance measures. These policies and procedures should address gathering, reporting, and reviewing data before submitting it to the ABEST coordinator.

Average Cost per Survey Issued

The Commission should:

- Document and retain support to justify costs used in the calculation.
- Use actual costs as specified in the measure definition instead of estimates.
- Use raw data to calculate year-to-date performance for this measure.

Average Cost per Complaint Resolved

The Commission should:

- Use a more precise method of calculating time spent on complaints that better that reflects increases or decreases in efficiency. Document all calculations and cost rates.
- Determine costs based on an approved cost allocation plan or study. Retain documentation to support the numbers used in the performance measure calculations.
- Use raw data to calculate year-to-date performance for this measure.

State Revenue Received per Advertising Dollar

The Commission should use a consistent accounting basis for both components of the measure's formula. If the cash basis methodology does not reflect the most meaningful measure of this activity, the Commission should work with the Legislative Budget Board to revise the measure definition.

Management's Response



Texas Lottery Commission

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www.txlottery.org • www.txbingo.org



June 26, 2000

REVISED

Verma Elliott, Project Manager
Beverly Schulke, Assistant Project Manager
State Auditor's Office
P.O. Box 12067
Austin, TX 78701

Dear Ms. Elliott and Ms. Schulke:

We received your findings and recommendations of the Performance Measure Audit on June 8, 2000. Please find below our responses to your recommendations and each of the findings:

Auditor Recommendation:

- *The Commission should ensure that all performance measures have policies and procedures that have been documented, approved, and implemented.*
- *These policies and procedures should address gathering, reporting, and reviewing data before submitting it to the ABEST Coordinator.*

Management Response:

The Commission has developed procedures to address the retention of source documentation to support numbers reported in ABEST.

The Commission has developed and implemented policies and procedures regarding gathering, reporting, and reviewing data before it is submitted to the ABEST Coordinator. The Commission will formally approve these policies and procedures after the State Auditor's Office has reviewed the procedures to their satisfaction.

Average Cost Per Survey Issued

Auditor Finding:

Factors prevented the certification of the Average Cost Per Survey Issued because the costs used to compute it could not be verified. The Commission did not have documentation to support reported cost rates used in the formula, nor did it retain documented cost calculations. The denominator portion of the computation which is the Number of Surveys Issued was based on estimates. This measure could not be recalculated.

Commissioners - C. Tom Clowe, Jr., *Chair* • Anthony Sadberry • Elizabeth D. Whitaker

Verma Elliott, Project Manager
Beverly Schulke, Assistant Project Manager
June 26, 2000
Page 2

The Commission should:

- Document and retain support to justify costs used in the calculation.
- Use actual costs as specified in the measure definition instead of estimates.
- Use raw data to calculate year-to-date performance for this measure.

Management Response:

We concur.

The Commission has developed procedures to address the retention of source documentation to support numbers reported in ABEST.

The Commission has developed and implemented policies and procedures regarding gathering, reporting, and reviewing data before it is submitted to the ABEST Coordinator. The Commission will formally approve these policies and procedures after the State Auditor's Office has reviewed the procedures to their satisfaction.

The Commission is tracking sources of actual data and will be using actual costs as specified in the measure definition instead of estimates.

The method used to calculate the year-to-date performance data has been changed to include the use of raw data rather than "averaging the average" for each quarter.

Average Cost Per Complaint Resolved

Auditor Finding:

Factors prevented the certification of the Average Cost Per Complaint Resolved because the standard labor rate of six hours per complaint resolved could not be supported. In addition, the formula used to compute the total costs is not responsive to differing levels of activity; therefore, it will not identify changes in efficiencies.

The Commission should:

- Use a more precise method of calculating time spent on complaints that better reflects increases or decreases in efficiency. Document all calculations and cost rates.
- Determine costs based on an approved cost allocation plan or study. Retain documentation to support the numbers used in the performance measure calculations.
- Use raw data to calculate year-to-date performance for this measure.

Verma Elliott, Project Manager
Beverly Schulke, Assistant Project Manager
June 26, 2000
Page 3

Management Response:

We concur.

During the fourth quarter of fiscal year 2000, the Commission will be compiling actual time and costs associated with the calculation of this measure. This will be a more precise method of calculating time spent on complaints that will better reflect increases or decreases in efficiency. All calculations and cost rates will be documented.

The new standard rate calculated based on actual time and costs will be used in future reporting periods on an approved cost allocation plan that will be approved by the Legislative Budget Board and the Governor's Office of Budget and Planning. A new standard rate will be calculated periodically. All documentation to support the numbers used in the performance measure calculations will be retained.

The method used to calculate the year-to-date performance data has been changed to include the use of raw data rather than "averaging the average" for each quarter.

State Revenue Received Per Advertising Dollar

Auditor Finding:

State Revenue Received Per Advertising Dollar was certified as Inaccurate because the Commission used two different accounting bases for the calculation. The Commission used the cash basis for school fund transfers in the numerator of its formula but used a budgeted basis for advertising expenditures in the denominator. Using this formula, the Commission reported \$25.55; however, using the cash basis accounting method consistently, as described in the definition, the amount was recalculated to be \$28.92.

The Commission should use a consistent accounting basis for both components of the measure's formula. If the cash basis methodology does not reflect the most meaningful measure of this activity, the Commission should work with the Legislative Budget Board to revise the measure definition.

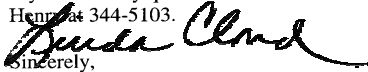
Management Response:

We concur.

The measure definition and method of calculation have been revised to reflect a consistent accounting basis for both components of the measure's formula. The measure now reflects the annual accrued transfers to the State of Texas from all Lottery proceeds compared to the annual accrued amount of advertising dollars expended. The measure definition was clarified with the submission of the newly formatted definition included in the Agency Strategic Plan for FY 2001-2005.

Verma Elliott, Project Manager
Beverly Schulke, Assistant Project Manager
June 26, 2000
Page 4

If you have any questions or need additional information, please contact me at 344-5350 or Patsy Henry at 344-5103.


sincerely,

Linda Cloud
Executive Director

cc: C. Tom Clowe, Jr., Chair
Commissioner Anthony Sadberry
Commissioner Elizabeth D. Whitaker
John Keel, Legislative Budget Board
Albert Hawkins, Governor's Office of Budget and Planning
Rick Travis, Legislative Budget Board
Marisa Medrano, Governor's Office of Budget and Planning
Patsy Henry, Deputy Executive Director
Debra McLeod, Director of Internal Audit

| Texas Agricultural Extension Service

Texas Agricultural Extension Service (Agency No. 555) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - Health and Safety - Percent Increase of Targeted Texans Reached	18.8%	Certified	
B	Outcome - Environmental Education - Percent Increase of Targeted Texans Reached	22.6%	Certified	
C	Outcome - Economic Competitiveness - Percent Increase of Targeted Texans Reached	18.1%	Certified	
D	Outcome - Leadership Development - Percent Increase of Targeted Texans Reached	12.1%	Certified	
A.1.1	Output - Direct Teaching Exposures	1,485,835	Certified	
C.1.1	Efficiency - Economic Impact Per Dollar Invested	662	Certified	

A measure is **Certified** if reported performance is accurate within +/-5 percent 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.

Factors Prevented Certification when actual performance cannot be determined because of inadequate controls and insufficient documentation.

A measure is **Inaccurate** when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.

Source: Fiscal Year 1999 ABEST Report

| Texas Veterinary Medical Diagnostic Laboratory

Texas Veterinary Medical Diagnostic Laboratory (Agency No. 557) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - Number of Diagnostic Services Rendered	249,988	Factors Prevented Certification	See finding.
A	Outcome - Percent of Animals Testing Drug Free	99.3%	Certified With Qualification	During the audit, we noted that the Agency needs to document and implement procedures for collecting and reviewing data before final submission in ABEST.
A.1.1	Output - Number of Cases Submitted and Examined	150,668	Certified With Qualification	During the audit, we noted that the Agency needs to document and implement procedures for collecting and reviewing data before final submission in ABEST.
A.2.1	Output - Number of Animals Tested	25,513	Factors Prevented Certification	See finding.
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

Key Performance Measures

- **Number of Diagnostic Services Rendered**
- **Number of Animals Tested**

The Texas Veterinary Medical Diagnostic Laboratory (Agency) received the certification of Factors Prevent Certification for the two performance measures listed above.

For the Number of Diagnostic Services Rendered, the Agency did not sufficiently document the telephone calls comprising the measure. The number of calls was informally documented on assorted pieces of paper, but no other information about the inquiries was documented. Neither internal nor external auditors could verify the number of telephone inquiries because the Agency did not instruct staff members who answer the telephones to record specific information about each inquiry. The Agency also has not established criteria for the information to be recorded. As a result, telephone calls not related to diagnostic services may be incorrectly included in the reported ABEST figure.

For the Number of Animals Tested, the Agency's method of calculation differs from the measure definition. The measure definition states that the measure should be calculated as the percentage of animals tested, but the Agency is calculating the Number of Animals Tested.

During the audit, we noted that the Agency needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of ABEST data prior to final submission should be documented.

Recommendation:

The Agency should:

- Establish a log of all telephone inquiries received and instruct staff members who answer the telephone to record pre-selected data.
- Align the method of calculation to reflect the measure definition.
- Establish policies and procedures for collecting performance measure data.
- Review ABEST data before final submission.

| Management's Response



OFFICE OF THE
EXECUTIVE DIRECTOR

TEXAS VETERINARY MEDICAL DIAGNOSTIC
LABORATORY SYSTEM



LOCATED AT AMARILLO, CENTER,
COLLEGE STATION AND GONZALES

October 30, 2000

Mr. James Matlock, Jr.
Office of the State Auditor
1501 North Congress Avenue, Suite 4224
Austin, TX 78701

Dear Mr. Matlock Jr.,

The response to the findings/recommendations for our agency (557) is as follows:

- We have prepared a log for entering data on telephone inquiries including date, time, name of caller, and name/signature of the medical records transcriptionist receiving the call.
- The method of calculation is currently reflecting the measure definition. The LAR submitted in June 2000 correctly reflects this. There was a typographical error in the definition in one or more of the previous years. The actual numbers reported under the measure heading were, however, always correct.
- We are in the process of preparing written procedures for collecting the data for performance measures.
- We plan to review ABEST data before final submission to the degree possible with the limited human resources available in a small agency.

Feel free to contact me if I can further elaborate on the points made above.

Sincerely,


A.K. Engster
Executive Director

Attachment

cc: Mr. Cobb



Drawer 3040, College Station, Texas 77841-3040
Telephone (979) 845-3414; Fax (979) 845-1794
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Administered by the Board of Regents of The Texas A&M University System

| Texas Engineering Experiment Station

Texas Engineering Experiment Station (Agency No. 712) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - Number of Formal License Agreements	11	Inaccurate	One exception was noted in the testing of the population of 11 agreements. During the audit, we noted that the Agency does not have sufficient procedures for collecting performance measure data before submission to ABEST.
A.1.27	Output - Dollar Volume Research (Millions)	41.1	Certified	
A.1.27	Output - Number of Research Projects*	2,090	Certified	Note: the Agency needs to contact the Legislative Budget Board and align the counting methods in the measure definition.
A.1.27	Output - Number of Collaborative Initiatives	1,034	Certified	
A.1.27	Output - Number of Students From Underrepresented Groups Participating in Agency Activities	4,202	Factors Prevented Certification	See finding.
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				
* This measure was audited for fiscal year 1999, third quarter ABEST report.				

Source: Fiscal Year 1999 ABEST Report

Texas Engineering Experiment Station

Key Performance Measure

Number of Students from Underrepresented Groups Participating in Agency Activities

The Texas Engineering Experiment Station (Station) received the certification of Factors Prevented Certification for its Number of Students from Underrepresented Groups Participating in Agency Activities performance measure.

The Station did not follow the measure definition, which states that the Station will take a manual count of the number of undergraduate students in underrepresented groups that attend functions. For large gatherings, the Station estimated the number of underrepresented undergraduate students rather than taking a manual count. The estimate it used could not be substantiated. The Station does not have an established methodology for estimating and documenting the number of students from underrepresented groups participating in activities with a large group of students. Therefore, we could not test the accuracy of the estimate or re-create the actual measure result.

In addition, the Station should document its policies and procedures for collecting data.

Recommendation:

The Station should:

- Follow the measure definition when calculating this performance measure. If a manual count is not feasible for large events, the Stations should work with the Legislative Budget Board to modify the measure definition.
- Develop a methodology for estimating the number of students from underrepresented groups participating in activities if estimates are to be used.
- Document its policies and procedures for collecting data.

| Management's Response



Wrightsville College of Engineering • 1643 Engineering Experiment Station • Texas Engineering Experiment Station • Texas Transportation Institute

November 10, 2000

Mr. James Matlock Jr.
Assistant Project Manager
State Auditors Office
Two Commodore Plaza
208 East Ninth Street, Suite 1900
Austin, Texas 78701

Dear Mr. Matlock:

The response of the Texas Engineering Experiment Station (TEES) to the audit finding regarding our performance measure is listed below.

FINDING: Factors Prevent Certification for its Number of Students from Underrepresented Groups Participating

RESPONSE: The Texas Engineering Experiment Station concurs with this finding and will make efforts to address new methodology for better quantifying the number of students from underrepresented groups which are participating in the TEES activities. Efforts will be made to collect more information on the students involved in TEES programs dedicated to increasing the opportunities for students from disadvantaged and/or underrepresented backgrounds. In addition, we will be using reports from the TEES EPIK system based on fiscal documents to report scholarship, fellowship and stipend payments made to these students participating in such programs.

Sincerely,

A handwritten signature in black ink, appearing to read "Carol J. Cartrell".

Carol J. Cartrell
Associate Agency Director and
Assistant Vice Chancellor for Engineering

cc: Dr. C. Roland Haden

301 Wierbaker Engineering Research Center • 3126 TAMU • College Station, TX 77843-3126 • 979/845-1321 • FAX 979/845-8998

| Texas Engineering Extension Service

Texas Engineering Extension Service (Agency No. 716) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - Percent Increase in Number of Employees Trained	-5.33%	Inaccurate	<p>The Agency's source documentation did not support the number reported in ABEST.</p> <p>Recalculation of source documentation resulted in a value of -4.97 Percent Increase in Number of Employees Trained. This deviates by more than 5 percent from the number reported to ABEST. The error occurred because the computer system automatically updated the number of employees trained by a small amount. This impacted the calculated result.</p> <p>During the review, we noted that the Agency needs to amend its procedures to include the retention of source documentation and a documented review of data prior to final submission into ABEST.</p>
A	Outcome - Percent Increase in Number of Industrial Employees Trained	-9.97%	Inaccurate	<p>The Agency's source documentation did not support the number reported in ABEST.</p> <p>Recalculation of source data resulted in a performance of -9.012 Percent Increase in Number of Industrial Employees Trained. This deviates by more than 5 percent from the number reported to ABEST. The error occurred because the computer system automatically updated the number of employees trained by a small amount. This impacted the calculated result.</p> <p>During the review, we noted that the agency needs to retain source documentation and a documented review of data before final submission into ABEST.</p>
A.1.1	Efficiency - Average Number of Student Contact Hours per Full Time Instructor	15,954.3	Inaccurate	<p>The Agency calculation for this measure is cumulative yet the ABEST report indicates that this is a non-cumulative calculation.</p> <p>The Agency needs to contact the Legislative Budget Board and determine the correct calculation for the year to date based on the intent of this measure.</p> <p>During the audit, we noted that the Agency needs to document its review of data entries prior to final submission into ABEST.</p>
A.1.1	Output - Number of Individuals Trained	65,035	Certified With Qualification	<p>During the audit, we noted that the Agency needs to document its review of data entries prior to final submission into ABEST.</p>

Texas Engineering Extension Service (Agency No. 716) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
B.1.1	Output - Number of Initiatives with Communities and Businesses	2,153	Inaccurate	<p>The Agency's source documentation did not support the number reported in ABEST. Recalculation of source documentation resulted in a performance of 2,567. This deviates by more than 5 percent from the number reported to ABEST.</p> <p>During the audit, we noted that the Agency needs to document its review of data entries prior to final submission into ABEST.</p>
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

| Texas Southern University

Texas Southern University (Agency No. 717) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - State Pass Rate of Education ExCET Exam	82%	Inaccurate	<p>The University reported on the accreditation rating of its School of Education rather than the certification status of all undergraduates who passed the exam. Recalculation of the performance measure was 7.1 percent pass rate. This deviates by more than 5 percent from the number reported to ABEST.</p> <p>During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.</p>
A	Outcome - Percent of First-Time, Full-Time, Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	12.2%	Inaccurate	<p>We noted five exceptions during testing on the numerator, giving the University an inaccurate rating for this measure. The University included students that had not received their degrees due to outstanding balances owed to the University.</p> <p>During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.</p>
A	Outcome - Retention Rate of First-Time, Full-Time, Degree-Seeking Freshmen After One Academic Year	48.2%	Inaccurate	<p>Recalculation of the data identified the retention rate as 53.87 percent. This result deviates by more than 5 percent from the number reported to ABEST.</p> <p>During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.</p>

Texas Southern University (Agency No. 717) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - Percent of Lower Division Courses Taught by Tenured or Tenure-Track Faculty	68%	Inaccurate	<p>Recreation of source documentation identified a percentage rate of 43 percent.</p> <p>This number deviates by more than 5 percent from the number reported to ABEST.</p> <p>During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.</p>
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

| Texas State Technical College – Harlingen

Texas State Technical College – Harlingen (Agency No. 923) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - Percent of First-Time, Full-Time Students Graduated within Three Years	33.3%	Certified	
A	Outcome - Headcount Enrollment	5,197	Certified	
A	Outcome - Number of Minority Student Graduates	532	Certified	
A	Outcome - Number of Associates Degrees and Certificates Awarded	603	Certified	
A	Outcome - Administrative Costs as a Percent of Total Expenditures	12.2 %	Certified With Qualification	During the audit, we noted that the College does not have sufficient policies and procedures for the collection and calculation of data reported to ABEST.
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

| Texas State Technical College – Sweetwater

Texas State Technical College – Sweetwater (Agency No. 924) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - Percent of First-Time, Full-Time Students Graduated Within Three Years with an AAS Degree or Certificate	43.1%	Certified	
A	Outcome - Headcount Enrollment	1,714	Certified	
A	Outcome - Number of Minority Student Graduates	113	Certified	
A	Outcome - Number of Associate Degrees and Certificates Awarded	400	Certified	
A	Outcome - Administrative Costs as a Percent of Total Expenditures	16.2%	Certified With Qualification	During the audit, we noted that the College does not have sufficient policies and procedures for the collection and calculation of data reported to ABEST.

A measure is **Certified** if reported performance is accurate within +/-5 percent 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.

Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.

A measure is **Inaccurate** when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.

Source: Fiscal Year 1999 ABEST Report

| Texas State Technical College – Waco

Texas State Technical College – Waco (Agency No. 925) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - Percent of First-Time, Full-Time Students Graduated Within Three Years	36.7%	Certified	
A	Outcome - Headcount Enrollment	5,982	Certified	
A	Outcome - Number of Minority Student Graduates	164	Certified	
A	Outcome - Number of Associate Degrees and Certificates Awarded	958	Certified	
A	Outcome - Administrative Costs as a Percent of Total Expenditures	8.93%	Certified With Qualification	During the audit, we noted that the College does not have sufficient policies and procedures for the collection and calculation of data reported to ABEST.
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

| Texas Woman's University

Texas Woman's University (Agency No. 731) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - State Pass Rate of Education ExCET Exam	91.98%	Inaccurate	The University is not following the performance measure definition in the reporting of this performance measure. Recreation of the data identified a pass rate of 71 percent. During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Percent of First-Time, Full-Time, Degree-Seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	35.7%	Certified With Qualification	During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Retention Rate of First-Time, Full-Time, Degree-Seeking Freshmen After One Academic Year	73.9%	Certified With Qualification	During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Percent of Lower Division Courses Taught by Tenured or Tenure-Track Faculty	37.6%	Certified With Qualification	During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

| Midwestern State University

Midwestern State University (Agency No. 735) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - State Pass Rate of Education ExCET Exam	92.8%	Certified With Qualification	<p>Although the University reported on the accreditation rating of its School of Education instead of the certification status of its students, re-creation of the source documentation identified a pass rate of 93.2 percent. Testing identified no errors.</p> <p>During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.</p>
A	Outcome - Percent of First-Time, Full-Time, Degree-Seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	29%	Inaccurate	<p>Recalculation of source data identified a percentage rate of 27 percent. This number deviates by more than 5 percent from the number reported in ABEST.</p> <p>During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.</p>
A	Outcome - Retention Rate of First-Time, Full-Time, Degree Seeking Freshmen After One Academic Year.	58.5%	Certified With Qualification	<p>During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.</p>
A	Outcome - Percent of Lower Division Courses Taught by Tenured or Tenure-Track Faculty.	49%	Inaccurate	<p>Testing of the University's source documentation identified three exceptions giving the University an inaccurate rating.</p> <p>During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.</p>
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

| Sul Ross State University Rio Grande College

Sul Ross State University Rio Grande College (Agency No. 741) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - State Pass Rate of Education ExCET Exam	75%	Inaccurate	The University reported on the accreditation rating of its School of Education rather than the certification status of all undergraduates who passed the exam. Recalculation of the performance measure identified a 47 percent pass rate. During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome – Percent of Semester Credit Hour Courses Completed	97.02%	Certified With Qualification	During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Percent of Full-Time, Degree-Seeking Transfer Students Who Earn a Baccalaureate Degree Within Four Academic Years	73.68%	Inaccurate	Testing of the University's source documentation identified eight exceptions, giving the University an inaccurate rating. During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

| The University of Texas of the Permian Basin

The University of Texas of the Permian Basin (Agency No. 742) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - State Pass Rate for Education ExCET Exam	82.0%	Inaccurate	Recalculation of the data identified a 54.1 percent pass rate. This recalculation deviates by more than 5 percent from the number reported in ABEST. During the audit, we noted that the University does not have sufficient policies and procedures for the collection and gathering of data submitted to ABEST.
A	Outcome - Retention Rate of First-Time, Full-Time, Degree-Seeking Freshmen Students After One Academic Year	62.5%	Inaccurate	Testing of the University's source documentation identified three exceptions, giving the University an inaccurate rating.
A	Outcome - Percent of First-time, Full-time, Degree-seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	23.1%	Certified	
A	Outcome - Percent of Lower Division Courses Taught by Tenure or Tenure-Track Faculty	49.5%	Inaccurate	Recalculation of the data identified a 46.6 percent rate. This recalculation deviates by more than 5 percent from the number reported in ABEST.
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

| The University of Texas at Brownsville

The University of Texas at Brownsville (Agency No. 747) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - State Pass Rate of Education ExCET Exam	78.2%	Inaccurate	Recalculation of the performance measure identified a pass rate of 36.3 percent. This result deviates by more than 5 percent from the number reported in ABEST. During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Percent of First-Time, Full-Time, Degree-Seeking Transfer Students Who Earn a Baccalaureate Degree Within Four Academic Years	74.1%	Inaccurate	Testing of the University's source documentation identified 35 exceptions, giving the University an inaccurate rating. During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Percent of Semester Credit Hour Courses Completed	92%	Certified With Qualification	During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.

A measure is **Certified** if reported performance is accurate within +/-5 percent 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.

Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.

A measure is **Inaccurate** when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.

Source: Fiscal Year 1999 ABEST Report

| The University of Texas at Tyler

The University of Texas at Tyler (Agency No. 750) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - State Pass Rate of Education ExCET Exam	86%	Inaccurate	Recalculation of the measure identified a 63.8 percent pass rate. This result deviates by more than 5 percent from the number reported to ABEST. During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Retention Rate of First-Time, Full-Time, Degree-Seeking Freshmen After One Academic Year	61%	Certified With Qualification	During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Percent of Lower Division Courses Taught by Tenured or Tenure-Track Faculty	59%	Inaccurate	Recreation of source data for this performance measure was 46.5 percent. This number deviates by more than 5 percent from the number reported in ABEST. During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

| Stephen F. Austin State University

Stephen F. Austin State University (Agency No. 755) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - State Pass Rate of Education ExcET Exam	78.6%	Certified With Qualification	The University is calculating the performance measure incorrectly. However, recalculation of the performance measure data identified a pass rate of 75.1 percent. Testing identified no exceptions. During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Percent of First-Time, Full-Time, Degree-Seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	35.3%	Certified With Qualification	During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Retention Rate of First-Time, Full-Time, Degree-Seeking Freshmen After One Academic Year	58.6%	Certified With Qualification	During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Percent of Lower Division Courses Taught by Tenured or Tenure-Track Faculty	58.2%	Certified With Qualification	During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

| Sul Ross State University

Sul Ross State University (Agency No. 756) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - State Pass Rate of Education ExCET Exam	77.9%	Inaccurate	The University reported on the accreditation rating of its School of Education rather than the certification status of all undergraduates who passed the exam. SAO recalculation of the performance measure was a 44.3 percent pass rate. This deviates by more than 5 percent from the number reported to ABEST. During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Percent of First-Time, Full-Time, Degree-Seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	21.77%	Inaccurate	Testing of the University's source documentation identified three exceptions giving the university an inaccurate rating. During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Retention Rate of First-Time, Full-Time, Degree-Seeking Freshmen after One Academic Year	48.87%	Certified With Qualification	During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Percent of Lower Division Courses Taught by Tenured or Tenure-Track Faculty	46.27%	Certified With Qualification	During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

| West Texas A&M University

West Texas A&M University (Agency No. 757) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - State Pass Rate of Education ExCET Exam	86.53%	Inaccurate	Recalculation of the source data identified a pass rate of 75.4 percent. This result deviates by more than 5 percent from the number reported in ABEST. During the audit, we noted that the University needs to strengthen its policies and procedures for the collection, review, and reporting ABEST data. Review of data should be documented.
A	Outcome - Percent of First-Time, Full-Time, Degree-Seeking Freshmen Who Earn a Baccalaureate Degree Within Six Academic Years	27.6%	Certified With Qualification	During the audit, we noted that the University does not have policies and procedures for a documented review of ABEST data prior to final submission.
A	Outcome - Retention Rate of First-Time, Full-Time, Degree-Seeking Freshmen After One Academic Year	66.5%	Certified With Qualification	During the audit, we noted that the University does not have policies and procedures for a documented review of ABEST data prior to final submission.
A	Outcome - Percent of Lower Division Courses Taught by Tenured or Tenure-Track Faculty	42.88%	Certified With Qualification	During the audit, we noted that the University does not have policies and procedures for a documented review of ABEST data prior to final submission.
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

| Texas A&M University – Texarkana

Texas A&M University – Texarkana (Agency No. 764) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - State Pass Rate of Education ExCET Exam	94%	Inaccurate	Recalculation of the performance measure identified a pass rate of 89 percent. This result deviates by more than 5 percent from the number reported in ABEST. During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Percent of Semester Credit Hour Courses Completed	95.4%	Certified With Qualification	During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Percent of First-Time, Full-Time, Degree-Seeking Transfer Students who Earn a Baccalaureate Degree Within Four Academic Years	77.1%	Certified With Qualification	During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

| University of Houston – Victoria

University of Houston – Victoria (Agency No. 765) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - State Pass Rate of Education ExcET Exam	81%	Certified With Qualification	The University did not follow the ABEST definition in calculating this performance measure. However, recreation of source documentation identified a pass rate of 79.2 percent. Testing identified no exceptions. During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Percent of Semester Credit Hour Courses Completed	91.9%	Certified With Qualification	During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.
A	Outcome - Percent of First-Time, Full-Time, Degree-Seeking Transfer Students Who Earn a Baccalaureate Degree Within Four Academic Years	73.8%	Certified With Qualification	During the audit, we noted that the University needs to document and implement policies and procedures for the collecting, reviewing, and reporting of data into ABEST. Review of data should be documented.
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

| University of Houston – Downtown

University of Houston – Downtown (Agency No. 784) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - State Pass Rate of Education ExCET Exam	90.24%	Inaccurate	<p>The University reported on the accreditation rating of its School of Education rather than on the certification status of all undergraduates who passed the exam. SAO recalculation of the performance measure identified a 60.6 percent pass rate. This deviates by more than 5 percent from the result reported to ABEST.</p> <p>During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.</p>
A	Outcome - Percent of First-Time, Full-Time, Degree-Seeking Freshman Who Earn a Baccalaureate Degree Within Six Academic Years	13.46%	Certified With Qualification	<p>During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.</p>
A	Outcome - Retention Rate of First-Time, Full-Time, Degree-Seeking Freshmen Students After One Academic Year	61.36%	Certified With Qualification	<p>During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.</p>
A	Outcome - Percent of Lower Division Courses Taught by Tenured or Tenure-Track Faculty	37.93%	Certified With Qualification	<p>During the audit, we noted that the University needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST. Review of data should be documented.</p>
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

| Lamar State College – Orange

Lamar State College – Orange (Agency No. 787) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - Retention Rate of TASP Students Requiring Remediation	35.13%	Inaccurate	Testing of the College's source documentation identified nine exceptions, giving the College an inaccurate rating.
A	Outcome - Retention Rate of First-time, Full-Time, Degree-Seeking Freshmen After One Academic Year	56.69%	Certified	
A	Outcome - Percent of Semester Credit Hour Courses Completed	83.54%	Certified	
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

| Lamar State College – Port Arthur

Lamar State College – Port Arthur (Agency No. 788) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - Retention Rate of TASP Students Requiring Remediation	49.6%	Certified With Qualification	During the audit, we noted that the College needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST.
A	Outcome - Retention Rate of First-Time, Full-Time, Degree-Seeking students After One Academic Year	56.3%	Certified With Qualification	During the audit, we noted that the College needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST.
A	Outcome - Percent of Semester Credit Hour Courses Completed	90.6%	Certified With Qualification	During the audit, we noted that the College needs to document and implement policies and procedures for the collection, review, and reporting of data into ABEST.
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined due to inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

| Lamar Institute of Technology

Lamar Institute of Technology (Agency No. 789) Performance Measure Certification Results				
Related Objective or Strategy	Classification and Description of Measure	Results Reported	Certification Results	Auditor Comments
A	Outcome - Retention Rate of TASP Students Requiring Remediation	44.7%	Inaccurate	Testing of the Institute's source documentation identified three exceptions, giving the Institute an inaccurate rating.
A	Outcome - Retention Rate of First-Time, Full-Time, Degree-Seeking Freshmen After One Academic Year	56.5%	Certified	
A	Outcome - Percentage of Semester Credit Hour Courses Completed	91.27%	Certified	
<p>A measure is Certified if reported performance is accurate within +/-5 percent and if it appears that controls to ensure accuracy are in place for collecting and reporting performance data.</p> <p>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.</p> <p>Factors Prevented Certification when actual performance cannot be determined because of inadequate controls and insufficient documentation.</p> <p>A measure is Inaccurate when reported performance is not within +/-5 percent of actual performance or if there is more than a 5 percent error rate in supporting documentation.</p>				

Source: Fiscal Year 1999 ABEST Report

Universities Are Inaccurately Reporting the Percentage of Certified Teachers Who Graduate From Undergraduate Programs

Ten of the 13 universities audited for the performance measure State Pass Rate of the Education ExCET Exam reported inaccurate data to the Automated Budget and Evaluation System of Texas (ABEST). The ExCET exam is the examination that teachers take in order to be certified to teach in the State of Texas.

Additionally, the three universities that reported results within plus or minus 5 percent of the number recreated by the State Auditor’s Office did not use the appropriate methodology to calculate the measures.

Due to the complexity of the ExCET measure and the various calculations needed to achieve the correct result, most of the universities over-reported their performance measure by more than 5 percent for fiscal year 1999. (See Table 2 for the recalculated results.) The State Auditor’s Office and the Legislative Budget Board worked together to identify problems and to clarify the correct method that should be used to calculate this performance measure. The following sections will list the problems identified and explain the correct way to calculate the measure.

Table 2

Recalculation of Pass Rate on the Education ExCET Exam		
University	Reported to ABEST for Fiscal Year 1999	ExCET Recalculation for Fiscal Year 1999
Midwestern State University *	92.8	93.2
Texas A&M – Texarkana	94.0	89.1
University of Houston – Victoria*	81.0	79.2
West Texas A&M University	86.53	75.4
Stephen F. Austin State University*	78.6	75.1
Texas Woman’s University	91.98	71.0
The University of Texas at Tyler	86.0	63.8
University of Houston – Downtown	90.24	60.6
The University of Texas of Permian Basin	82.0	54.1
Sul Ross State University Rio Grande College	75.0	46.8
Sul Ross State University	77.9	44.3
The University of Texas at Brownsville	78.2	36.3
Texas Southern University	82.0	07.1

* Signifies numbers were recreated within +/- 5 percent of the number in ABEST.

Universities Are Not Calculating the Performance Measure According to the Measure Definition

Universities are not adhering to the ABEST definition for the State Pass Rate of the Education ExCET Exam (ExCET measure), which states: “The percentage of the institutions’ undergraduate teacher education program graduates who attempt the licensing examination who pass *all parts* [emphasis added] either before graduation from the program, or within the twelve months immediately following graduation from the program.” To help clarify how to calculate this measure, the Legislative Budget Board has recently changed the name of the measure to Certification Rate of Teacher Education Graduates.

The following are mistakes universities commonly made when reporting the ExCET measure:

- Reporting on accreditation status instead of certification status. Almost half of the universities audited reported the accreditation status of the university instead of the certification status of the students. The State Board for Educator Certification (Board) provides universities with summary statistics detailing their accreditation ratings, as well as individual test scores for students who take any part of the ExCET Exam. These accreditation ratings measure the percentage of the universities’ students who have passed *any* part of the ExCET Exam, not the percentage of students who pass *all* necessary parts of the ExCET Exam to be certified to teach. (The ExCET Exam has two parts: the professional development test and the content specialization test. A student must pass *both parts* to be certified to teach.)
- Failing to verify students’ graduation data. Over half of the universities audited were not verifying which students graduated with an undergraduate degree from their school.
- Reporting on students with non-teaching certifications. All of the universities audited included data on pass rates for non-teaching certifications such as Superintendent, Counselor, and Principal in the calculation of this measure. The purpose of this performance measure is to determine the number of students who graduate with an undergraduate degree from a university and are eligible to teach in the classroom.
- Reporting on students who have received undergraduate degrees from other universities. Most universities inappropriately included students in their calculation who were admitted into the university and already had an undergraduate degree, but who had taken 30 additional semester hours to be qualified to sit for the ExCET Exam. These students did not graduate from the universities’ undergraduate programs and should be excluded.
- Reporting on students who take the test for Delivery or Endorsement Systems. The majority of universities included students who took the test for a Delivery or Endorsement system such as Bilingual Endorsement, Learning Resources, or Early Childhood Education. These endorsements are not equivalent to certifications.

The Correct Way to Calculate the Measure

In reporting the State Pass Rate for ExCET Certification, universities must first determine the numerator and the denominator for the performance measure.

Calculating the Denominator

The denominator should consist of all students who have an undergraduate degree from the university and who take any portion of the ExCET exam during the audited fiscal year within 12 months of graduation.

To calculate the data for the denominator for this performance measure, educational institutions should perform the following steps:

Compile Graduation Data

- (1) Collect 21 months of data from the university on the total number of students who graduated from the university with an undergraduate degree. For example, to calculate the denominator for fiscal year 1999, graduation data must be gathered for the period between December 1, 1997 to August 31, 1999. Data is gathered for a 21-month period instead of 12 months to capture students who may have graduated the fall semester of December 1997 but who did not take the exam until the fall of the next fiscal year (Fall 1998). These students should still be in the denominator population because they would have taken the test within 12 months of graduating or before graduation.

Compile ExCET Data

- (2) Collect one year of data from the State Board for Educator Certification (Board) on the number of students who took any part of the ExCET. For example, in calculating the measure for fiscal year 1999, ExCET data must be gathered from September 1, 1998 to August 31, 1999.
- (3) Exclude all tests of students for Delivery or Endorsement Systems and professional non-teaching certifications from the ExCET data.
- (4) Make one list of students who graduated from the university and took any part of the ExCET.
- (5) From this list, exclude all students who took the exam but who did not graduate with an undergraduate degree from the university within 12 months of taking the exam.
- (6) From this list, exclude all students who graduated with an undergraduate degree per the graduation criteria listed above but did not take any part of the ExCET Exam.

The remaining data will be counted and used as the denominator in calculating the performance measure.

Calculating the Numerator

The numerator should consist of all students who have an undergraduate degree from the university, and who passed both the professional development exam and the content specialization exam during the audited fiscal year within 12 months of graduation or before graduation. A student must score 70 or greater on both parts of the exam to pass the ExCET.

Using the denominator as the basis for the population, educational institutions should perform the following steps to calculate the numerator for the performance measure:

- (1) Calculate the number of students from the denominator who have passed both the professional development test and the content specialization test within 12 months of graduating or before graduation. In order to be counted as passed, students must score a 70 or higher on each test.
- (2) Identify all students in the denominator who passed only one part of the ExCET exam during fiscal year 1999. An additional check must be performed on these students:
 - (a) Total all students who passed only one part of the ExCET Exam.
 - (b) Review the previous year's ExCET data on students who took and passed only one part of the exam to determine if these students passed the other corresponding part of the exam prior to graduation (the Board allows students to take the ExCET exam the semester prior to graduation). For example, if a student passed only one part of the exam in fiscal year 1999, a review of fiscal year 1998 ExCET data must be performed to determine if the student passed the other portion of the exam in fiscal year 1998.
 - (c) Compare the graduation date of the students to the date that the students passed one part of the exam in the audited fiscal year. The student must have passed both tests within twelve months of graduation or before. For example, if a student graduated in the fall of fiscal year 1998 (December 1997) he or she must pass all parts of the test before December 1998.
- (3) The list of students who passed both parts of the test within 12 months of graduation, or before graduation with undergraduate degrees from the school, should be added to the students already identified in the numerator.

Calculating the Performance Measure

Divide the numerator by the denominator. This number will be the percentage reported to ABEST.

Recommendation:

Educational Institutions should calculate the measure in accordance with the steps outlined above.

Management's Response:

Management of the educational institutions generally agree to calculate the result the way the State Auditor's Office has recommended. Full versions of management responses are contained in Appendix 2.

Historical Information

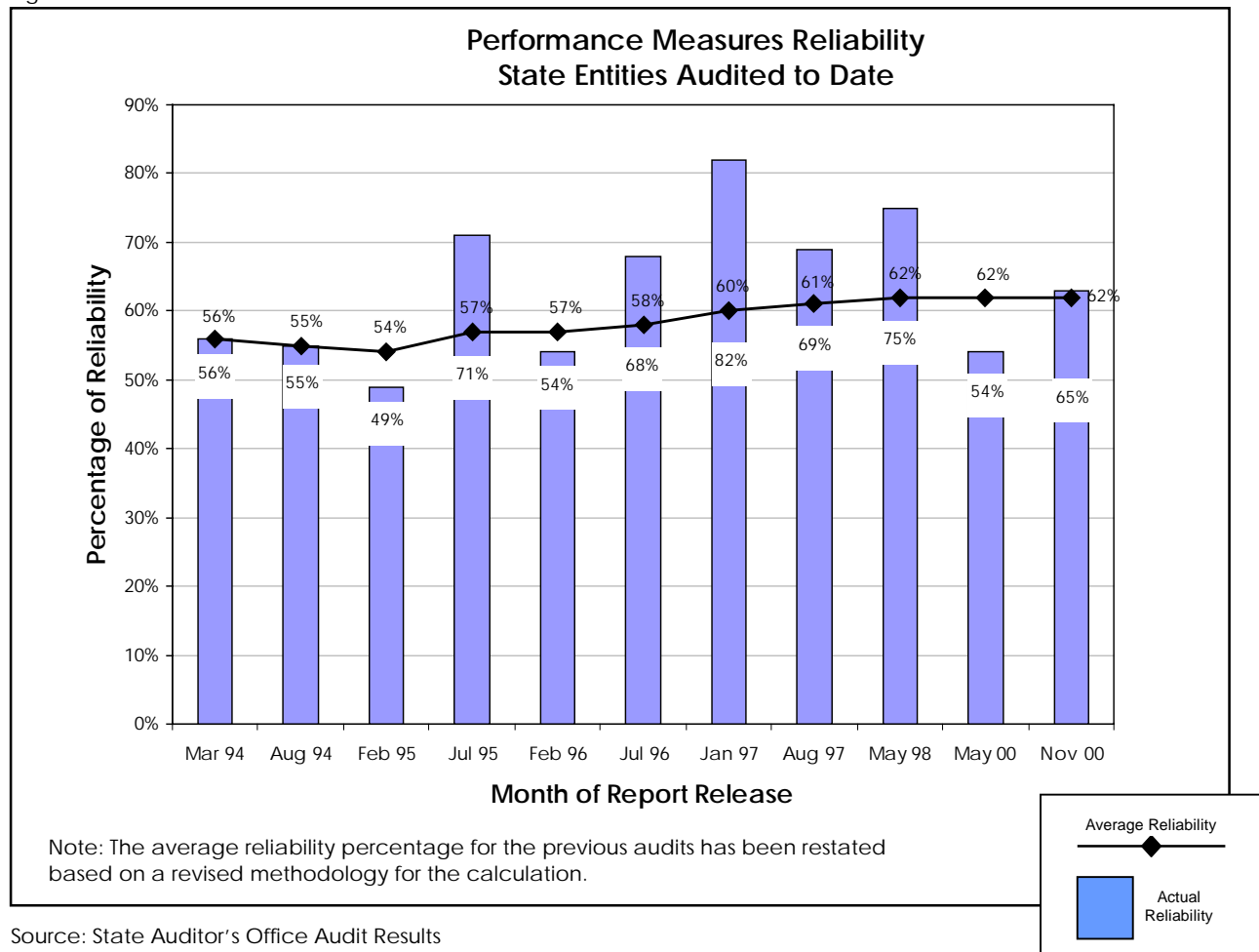
The cumulative effect of all audits conducted by the State Auditor's Office since 1994 shows that the average reliability percentage for all state entities audited is 62 percent. As a result, a significant amount (38 percent) of key performance information cannot be relied upon by decision makers.

Although performance measurement controls have gradually improved overall, control weaknesses continue to prevent a higher reliability rate. A greater emphasis on review procedures by management could help prevent and detect errors.

The accuracy of performance measure reporting for all certification audits is summarized in the following figures. Figure 3 shows both the individual and average reliability percentages over seven years for all state entities. The bars represent individual audit results from a particular audit report and the line represents the cumulative results of all certification reports.

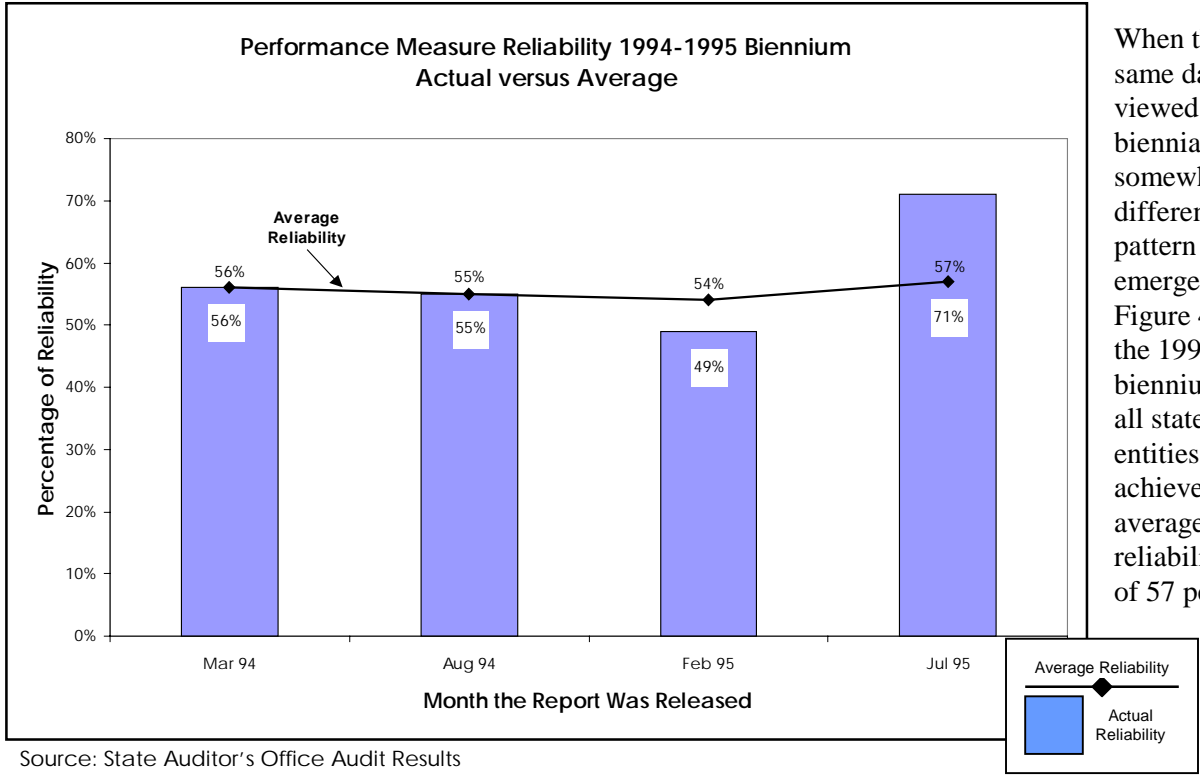
Figure 3 shows a variance of 15 percent between the high and low cumulative figures, while the variance between individual audits is 33 percent.

Figure 3



Source: State Auditor's Office Audit Results

Figure 4



When the same data is viewed biennially, a somewhat different pattern emerges. Figure 4 shows the 1994-1995 biennium for all state entities. We achieved an average reliability rate of 57 percent.

Source: State Auditor's Office Audit Results

Figure 5

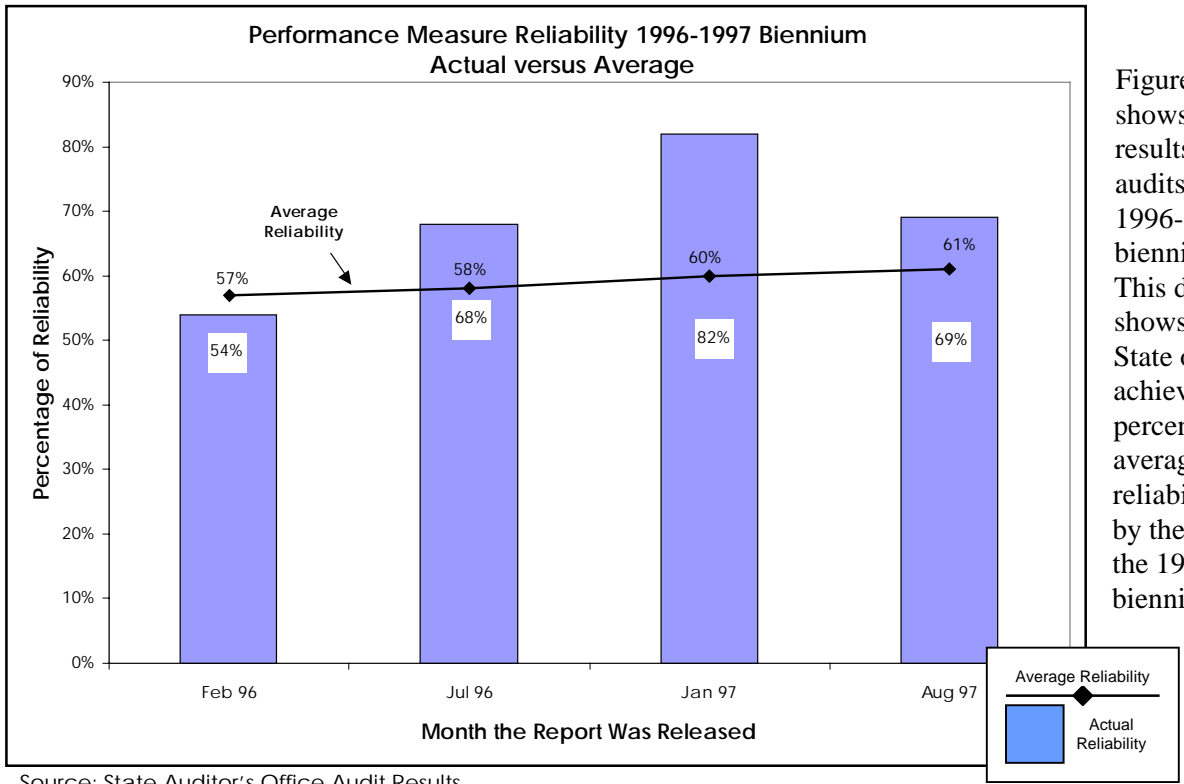
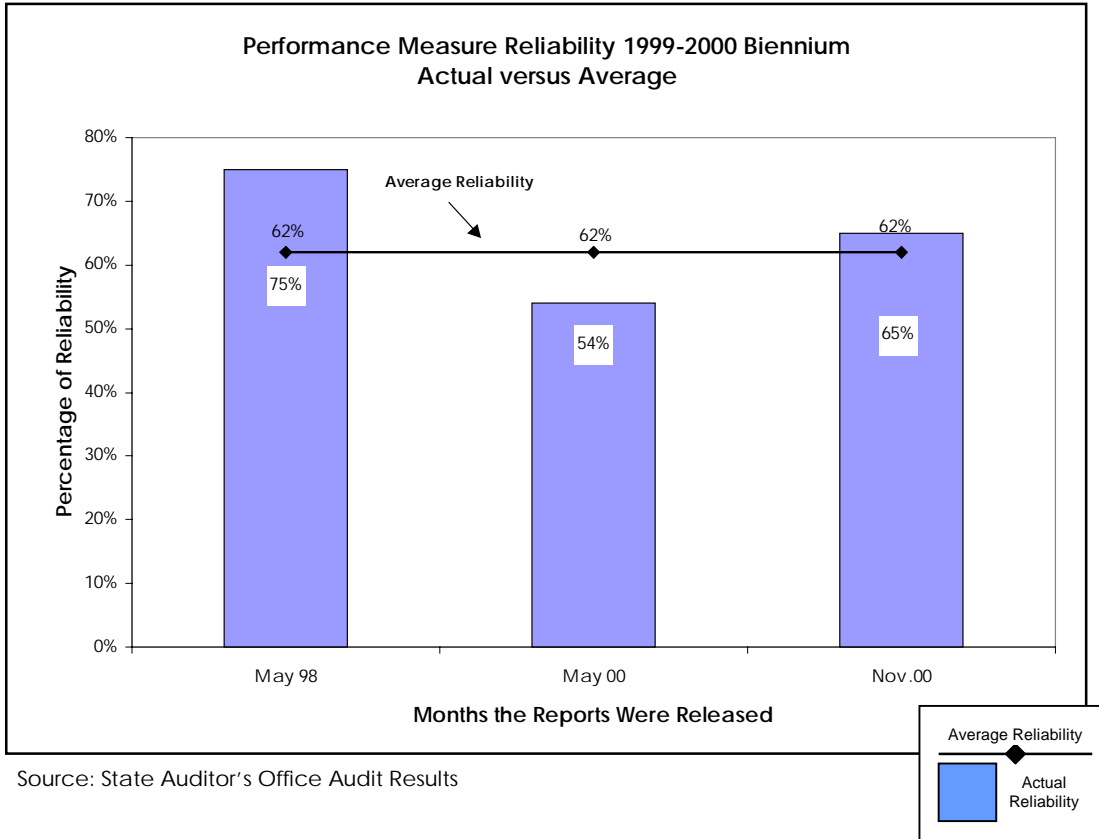


Figure 5 shows the results of audits for the 1996-1997 biennium. This data shows the State of Texas achieved a 61 percent average reliability rate by the end of the 1996-1997 biennium.

Source: State Auditor's Office Audit Results

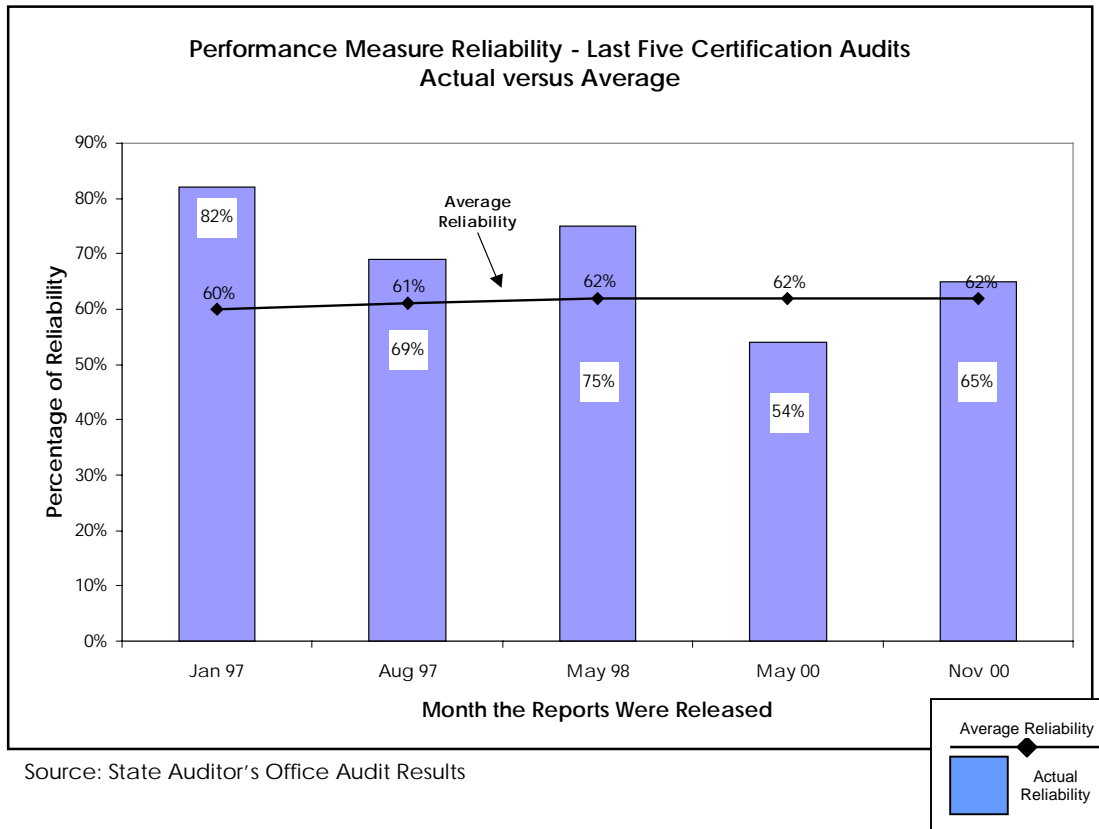
Figure 6



Source: State Auditor's Office Audit Results

Figure 6 shows that although there was a decline in the individual reliability rates in the 1999-2000 biennium, average reliability has remained constant.

Figure 7



Source: State Auditor's Office Audit Results

Figure 7 shows that the results of the past five certification audits have an average reliability rate of 62 percent.

Objectives, Scope, and Methodology

Objectives

The objectives of this audit were to:

- Determine whether selected state entities are accurately reporting their key performance measures to the Automated Budget and Evaluation System of Texas (ABEST) database.
- Determine whether selected state entities have adequate control systems in place over the collection and reporting of their performance measures.

Scope

Certain key and non-key measures were reviewed at 25 state entities. Performance measure results reported by state entities were reviewed to determine whether they were accurate. We also reviewed controls over the submission of data used in reporting performance measures. We traced performance information to the original source whenever possible.

Methodology

Performance measures were certified using the following procedures:

- The State Auditor's Office and the Legislative Budget Board chose agencies and measures to be reviewed based on risk factors identified by the Legislative Budget Board and the State Auditor's Office.
- Measures were selected from the population of key and non-key performance measures in ABEST. ABEST data was selected because it is relied upon by state decision makers.
- All entities completed a questionnaire related to their performance measurement processes to help identify preliminary control information for each entity. (The Texas Lottery Commission and the Comptroller's Judiciary Section did not complete questionnaires. This information was obtained from them through interviews.)
- The State Auditor's Office conducted a risk assessment to assess controls at each entity. Based on this risk assessment, some entities were asked to perform tests on their own source documentation. Nine of 23 state entities tested their own source documentation. They were as follows:

- Texas Engineering Experiment Station
- Sul Ross State University
- Sul Ross State University Rio Grande College
- The University of Texas of the Permian Basin
- The University of Texas at Brownsville
- The University of Texas at Tyler
- West Texas A&M University
- Texas A&M University - Texarkana
- Stephen F. Austin State University

The tests were performed using specific guidelines and procedures developed by the State Auditor's Office. The State Auditor's Office assessed and reviewed all information submitted by the state entities. The State Auditor's Office conducted fieldwork at the remaining 16 state entities.

- We reviewed calculations for accuracy and to ensure that they were consistent with the methodology agreed upon by the entity and the Legislative Budget Board.
- We analyzed the flow of data to evaluate whether proper controls were in place.
- We tested a sample of source documents to verify the accuracy of reported performance.
- We reported performance measure results in one of four categories: (1) Certified, (2) Certified With Qualification, (3) Factors Prevented Certification, or (4) Inaccurate.
- We wrote findings for measures categorized as Factors Prevented Certification. The findings give more detail than the comments in the matrix and provide the entities with the opportunity to communicate how the problems will be addressed. We also wrote findings for inaccurate measures that represented systematic problems.

Other Information

Audit fieldwork was conducted from May 2000 through September 2000. This audit was performed in accordance with generally accepted government auditing standards.

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

- Verma Elliott, MBA (Project Manager)
- Christie Arends
- Sonya Ethridge
- Victoria Harris
- James Matlock, Jr. (Assistant Project Manager)
- William Mesaros, Ph.D.

- Beverly Schulke, CPA
- Ruben Jimenez, CPA
- Lee Laubach
- Veda Mendoza
- Anna Zhang
- Cherlynn Putman, CPA, MBA
- Erin Westbrook, CPA
- Whitney Hutson-Kutz, CPA (Quality Control Reviewer)
- Randy Ray, CIA (Quality Control Reviewer)
- Elizabeth S. Arnold, CIA, CGFM (Audit Manager)
- Deborah Kerr, Ph.D. (Director)

Management Responses to Calculation Method Recommendations

The following are responses from entity managements to the recommendations on how to calculate the State Pass Rate of the Education ExCET Exam.



University of Houston-Downtown

November 6, 2000

President
Max Castillo

Chancellor
William P. Hobby

Board of Regents
Chair
Eduardo Aguirre Jr.

Vice Chair
Charles E. McMahan

Secretary
Kay Kerr Walker

Zinetta A. Burney

Philip J. Carroll

Elyse B. Lanier

Wilhelmina R. "Beth" Morian

John M. O'Quinn

Gary L. Rosenthal

James Matlock
Assistant Project Manager
State Auditor's Office
1501 N. Congress, Suite 4.224
Austin TX 78701

Dear Mr. Matlock:

Don Guyton, the Internal Auditor for the University of Houston System, has sent me a faxed copy of the "Performance Measure Certification Results" which you sent to him on October 27th. I have reviewed these results with personnel from our office of Institutional Research and am submitting the following statement as our response.

RESPONSE TO AUDIT FINDINGS ON THE PERFORMANCE MEASURE "STATE PASS RATE ON EDUCATION EXCET EXAM"

The original guidelines for the calculation of this measure were ambiguous and open to several interpretations. The performance measure audits conducted by the State Auditor's Office showed there was considerable confusion regarding how this measure was being calculated. As a result of these audits, the Legislative Budget Board clarified its reporting guidelines with new language that parallels the language found in Section 2-b of the audit report. The university now understands what steps it must follow in calculating the state pass rate on the Education ExCET Exam and will follow these steps in the future.

In this and other measures, the university has developed and implemented written policies and procedures for the collecting, reviewing and reporting of data into ABEST. These procedures include maintaining documentation of a signed review of the steps taken in data collection, calculation, and entry into the ABEST System.

Please contact me if you have any further questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Max Castillo'.

Max Castillo
President

| The University of Texas of the Permian Basin



The UNIVERSITY of TEXAS of the PERMIAN BASIN

4901 E. University
Odessa, TX 79762-0001
915-552-2100
Fax 915-552-2109

Office of the President

November 6, 2000

Mr. James Matlock, Jr.
Assistant Project Manager
State Auditor's Office
P.O. Box 12067
Austin, Texas 78711-2067

Dear Mr. Matlock:

Enclosed is the management response as it relates to the "State Pass Rate of the Educational ExCET Exam" and signed Performance Measure Certification Results form.

If you have any questions or require additional information regarding this matter, please contact Ms. Cindy Olson, Director of Institutional Research and Planning for U.T. Permian Basin.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles A. Sorber".

Charles A. Sorber
President

CAS:cn

State Pass Rate of the Education ExCET Exam

Management's Response

The University of Texas of the Permian Basin agrees to follow the State Auditor's recommendation that "Universities should calculate the measure in accordance with the steps outlined above" and expresses its appreciation for the recent efforts to clarify the method of calculation. UT Permian Basin will do everything it can to see that future reports are accurately calculated using the new methods.

It is unfortunate that the "State Pass Rate of the Education ExCET Exam" performance measure definition was so ambiguous that 13 of 13 reporting professionals at state public universities were unable to determine the correct methodology to calculate the results intended by the Texas Legislature. It is also unfortunate that the newly defined measure is so divergent from either the first-year or cumulative ExCET pass rates calculated by the State Board for Educator Certification. The divergence will require substantial staff time and computing resources to create and maintain a database and programs capable of reliably calculating this measure. This puts a significant burden on smaller institutions trying to maintain low administrative costs.

The new title for the revised performance measure of "Certification Rate of Teacher Education Graduates" should help to reduce the confusion between this measure and the SBEC pass rates. The similarity in concepts, however, will still lead to some confusion.

While this measure is uniquely complex, other measures pose similar difficulty and expense in the requirement for duplicative reporting databases for measures that are similar for various agencies. Efforts to bring integration and coordination among various agencies' reporting requirements could lead to significant reductions in administrative costs and enhanced accuracy in reporting.

TEXAS WOMAN'S
UNIVERSITY

DENTON/DALLAS/HOUSTON

OFFICE OF
THE PRESIDENT
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Phone: 940/898-3200
Fax: 940/898-3216

November 8, 2000

Mr. James Matlock
Assistant Project Manager
Office of the State Auditor
PO Box 12067
Austin, Texas 78711

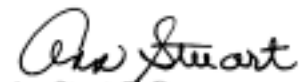
Dear Mr. Matlock:

The certification rate of graduates with a B.S. degree from TWU in FY 1999 was inaccurately reported because staff reported the same pass rate as reported by the State Board of Educator Certification (SBEC). SBEC includes passes for post-baccalaureate students, whereas the LBB measure includes only passes of students earning baccalaureate degrees.

Staff who prepared the TWU report did not understand these differences. We have corrected that situation through staff training, using instructions for calculation of the measure provided by the SAO. We recognize the correction of the Certification Rate for FY 1999 as recalculated by SAO as 71.0%.

We appreciate the assistance given us by the Office of the State Auditor to accurately report the University's performance.

Sincerely,



Ann Stuart, Ph.D.
Chancellor and President

cc: Dennis Haisten, Director of Internal Audits
Robert Tuggle, Director of Financial and Support Services

A Comprehensive Public University Priority for Women
An Equal Opportunity/Affirmative Action Employer



OFFICE OF THE PRESIDENT

THE UNIVERSITY OF TEXAS AT BROWNSVILLE and TEXAS SOUTHMOST COLLEGE

80 Fort Brown • Brownsville, Texas 78520 • (361) 544-8261 • Fax (361) 548-0820

Juliet V. Garcia, Ph.D.
President

November 15, 2000

James Matlock
Assistant Project Manager
State Auditor Office
Robert Johnson Building
1501 North Congress Ave. Suite 4.224
Austin, TX 78701

Dear Mr. Matlock,

In response to the audit performance measures for FY 99, as it relates to "State Pass Rate of the Educational EXCET Exam, I offer these comments:

The Pass Rate on the Educational EXCET exam was based on our interpretation of how the measure should be calculated. Upon completion of the recent audit of this measure, it was identified that our institution did not use the appropriate methodology to calculate this measure. It became apparent that the language in the definition was not clear and could be misinterpreted.

As a result of the audit, LBB and the SAO have clarified the correct method that should be used to calculate this measure. Our institution did use this prescribed methodology to calculate the Pass Rate on the EXCET exam in the annual performance report submitted in November 2000.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Juliet V. Garcia', written in a cursive style.

Juliet V. Garcia



Office of the President

November 21, 2000

Verma Elliott
State Auditor's Office
P. O. Box 12067
Austin, TX 78711-2067

Dear Ms. Elliott:

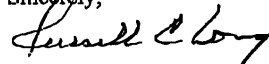
After visiting with the Legislative Budget Board staff regarding the calculation for the certified teachers who graduate from undergraduate programs, we concur with the State Auditor's recalculation of 75.4% for West Texas A&M University.

The LBB definition was to calculate the "institution's undergraduate teacher education program graduates attempting the state licensing examination who pass all parts either before graduation from the program or within the 12 months immediately following graduation from the program." As the University originally calculated this measure, we strictly interpreted the definition as undergraduate teacher education program graduates. After talking with the LBB staff, they have given direction to the State Auditor to interpret the students' intent. Therefore, students with degrees other than teacher education were included in the cohort group. This measure becomes very subjective in nature when students' intent is interpreted as part of this calculation.

With regard to the policies and procedures used to review data prior to submission, the University has always had a formal review process that included the Provost/Vice President for Academic Affairs; the Vice President for Business and Finance; the Director of Budgets, Payroll and Reporting; and the Association Director of Planning and Analysis. This team of University employees has reviewed the data each and every time prior to submission of the performance measures. This can be documented by reviewing appointment calendars of the individuals listed above. Effective September 1, 2000, we will include in our performance measure working file a signed document showing the names of the review team and the dates of the reviews.

Thank you for allowing us to comment on this audit.

Sincerely,



Russell C. Long, Ph.D.
President/CEO

cc: Dr. Flavius Killebrew
Mr. Gary Barnes

A Member of The Texas A&M University System

The University of Texas at Tyler

The University of Texas at Tyler agrees with the findings concerning the calculation of the pass rate on the ExCET exam and appreciates the efforts of the State Auditor's Office in bringing this error to light. UT Tyler will take under advisement the instructions and clarifications provided by the State Auditor's Office and will strive to accurately calculate the Certification Rate of Teacher Education Graduates in the future.

When 13 out of 13 institutions incorrectly calculate a performance measure, resulting in inaccurate reporting for 10 of those 13 institutions, it would indicate ambiguity and confusion in the determination of the methodology to be used to perform the calculation. Furthermore, this performance measure data is not readily available from any one source within UT Tyler, requiring many staff hours to manually calculate this performance measure. Similar, but not exactly identical, information can be obtained from SBEC concerning first-year and/or cumulative pass rates on the ExCET exam. Requiring institutions to manually calculate a variation of similar information is very time-consuming and does not make the best use of our limited administrative resources.

The University of Texas at Tyler will develop and implement policies and procedures regarding the collecting, calculating, reviewing and reporting of performance measures through the ABEST system. The review process of the calculation of the performance measures will be documented. The University expects to have these policies and procedures in place during the current fiscal year.

Sul Ross State University Rio Grande College

The University concurs with the State Auditor on the recalculation of the ExCET Pass Rate and the recommendations made for Rio Grande College. The College is taking steps for the development of a comprehensive program for the management of ExCET Certification, both from the Performance Measure point of view, as well as from the accreditation issues of Teacher Certification. An ExCET Coordinator is being sought to focus on the best practices available to achieve our established objectives. In this connection, procedures will be developed and policies implemented to better manage the program participants and related data.

Further, the University's Office of Institutional Research and Effectiveness that is responsible for the reporting of program data to ABEST, has developed procedures and implemented policies for the development, compilation, review and submission of ExCET Pass Rate data. This document details the data source, calculation method, and special instructions for each performance measure. It also defines the review process for approving and inputting performance measures into the ABEST system. Detailed information on the calculation of the ExCET pass rate measure is included in the policy and procedures manual. The method outlined and used for FY00 exactly reflects the guidelines and methodology provided by the LBB and the State Auditor's Office.

We believe that the actions stated above will enable the University to achieve and exceed established performance measure objectives and accurately report thereon.

Sul Ross State University

The University concurs with the State Auditor on the recalculation of the ExCET Pass Rate and the recommendations made for Sul Ross State University – Alpine Campus. The University is taking steps for the development of a comprehensive program for the management of ExCET Certification, both from the Performance Measure point of view, as well as from the accreditation issues of Teacher Certification. In this connection, procedures will be developed and policies implemented to better manage the program participants and related data.

Further, the University's Office of Institutional Research and Effectiveness that is responsible for the reporting of program data to ABEST, has developed procedures and implemented policies for the development, compilation, review and submission of ExCET Pass Rate data. This document details the data source, calculation method, and special instructions for each performance measure. It also defines the review process for approving and inputting performance measures into the ABEST system. Detailed information on the calculation of the ExCET pass rate measure is included in the policy and procedures manual. The method outlined and used for FY00 exactly reflects the guidelines and methodology provided by the LBB and the State Auditor's Office.

We believe that the actions stated above will enable the University to achieve and exceed established performance measure objectives and accurately report thereon.

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