



Legislative Requirement: An Audit Report on

The Board of Veterinary Medical Examiners

- The Board has improved its investigation and inspection functions, but it needs to do more to improve its data.
- As of July 2024, the Board had procured but not yet implemented a new licensing system.
- The Board exceeded its fiscal year 2023 performance measures for number of inspections performed and complaints resolved.

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The Board of Veterinary Medical Examiners (Board) has implemented safeguards and processes to address data management and enforcement program issues identified by the Sunset Advisory Commission (Sunset). However, it needs to do more to strengthen certain processes, particularly in the areas of (1) improving the quality, consistency, and accuracy of its enforcement data, (2) accurately reflecting disciplinary actions on its website, and (3) selecting licensees for inspection on the basis of risk.

The Board fully addressed issues that Sunset identified related to procurement and the Board’s administrative attachment to the Department of Licensing and Regulation (DLR).

- *Background* | p. 4
- *Audit Objective* | p. 28

This audit was conducted in accordance with Senate Bill 713 (87th Legislature, Regular Session).

MEDIUM

INFORMATION SYSTEM PROCUREMENT

The Board worked with the Department of Information Resources and DLR to procure a licensing system. However, the Board should develop the capability to perform analysis on its licensing and enforcement data.

[Chapter 1 | p. 8](#)

MEDIUM

ENFORCEMENT FUNCTIONS

The Board implemented effective enforcement procedures and educated licensees about controlled substances. However, it needs to improve its reporting of disciplinary actions on its website and its tracking of non-jurisdictional complaints.

[Chapter 2-A | p. 10](#)

HIGH

ENFORCEMENT: INSPECTIONS

The Board generally implemented procedures for performing inspections consistently. However, it could not demonstrate that it selected licensees for inspection based on risk and should strengthen its tracking of inspection data.

[Chapter 2-B | p. 14](#)

For more information about this audit, contact Audit Manager Becky Beachy or State Auditor Lisa Collier at 512-936-9500.

August 2024 | Report No. **24-022**

MEDIUM**ENFORCEMENT:
INVESTIGATIONS**

The Board consistently implemented its procedures for conducting investigations and reduced its average investigation completion times; however, it should consistently track all stages of complaint resolution.

[Chapter 2-C | p. 19](#)

LOW**PROCUREMENT**

The Board used appropriate procurement methods and provided appropriate documentation for payments to vendors.

[Chapter 3 | p. 26](#)

LOW**ATTACHMENT TO THE
DEPARTMENT OF
LICENSING AND
REGULATION**

The Board and DLR implemented applicable requirements related to the Board's administrative attachment to DLR.

[Chapter 4 | p. 27](#)

Note on Confidential Findings

To minimize security risks, auditors communicated in a separate report to the Board details about certain processes and control weaknesses that could put its enforcement and procurement information resources at risk.

HIGH

One of those findings was rated High because the issues could substantially affect data security. Prompt action is needed to address the noted concerns and reduce risks to a more desirable level.

MEDIUM

One of those findings was rated Medium because the issues could moderately affect data security. Action is needed to address the noted concerns and reduce risks to a more desirable level.

A separate report references confidential information. Pursuant to Standard 9.61 of the U.S. Government Accountability Office's *Government Auditing Standards*, certain information was omitted from this report because that information was deemed to present potential risks related to public safety, security, or the disclosure of private or confidential data. Under the provisions of Texas Government Code, Section 552.139, the omitted information is also exempt from the requirements of the Texas Public Information Act.

Summary of Management's Response

Auditors made recommendations to address the issues identified during this audit, provided at the end of certain chapters in this report. The Board agreed with these recommendations.

Ratings Definitions

Auditors used professional judgment and rated the audit findings identified in this report. The issue ratings identified for each chapter were determined based on the degree of risk or effect of the findings in relation to the audit objective(s).

PRIORITY: Issues identified present risks or effects that if not addressed could *critically affect* the audited entity's ability to effectively administer the program(s)/function(s) audited. Immediate action is required to address the noted concern(s) and reduce risks to the audited entity.

HIGH: Issues identified present risks or effects that if not addressed could *substantially affect* the audited entity's ability to effectively administer the program(s)/function(s) audited. Prompt action is essential to address the noted concern(s) and reduce risks to the audited entity.

MEDIUM: Issues identified present risks or effects that if not addressed could *moderately affect* the audited entity's ability to effectively administer the program(s)/function(s) audited. Action is needed to address the noted concern(s) and reduce risks to a more desirable level.

LOW: The audit identified strengths that support the audited entity's ability to administer the program(s)/function(s) audited or the issues identified do not present significant risks *or* effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.

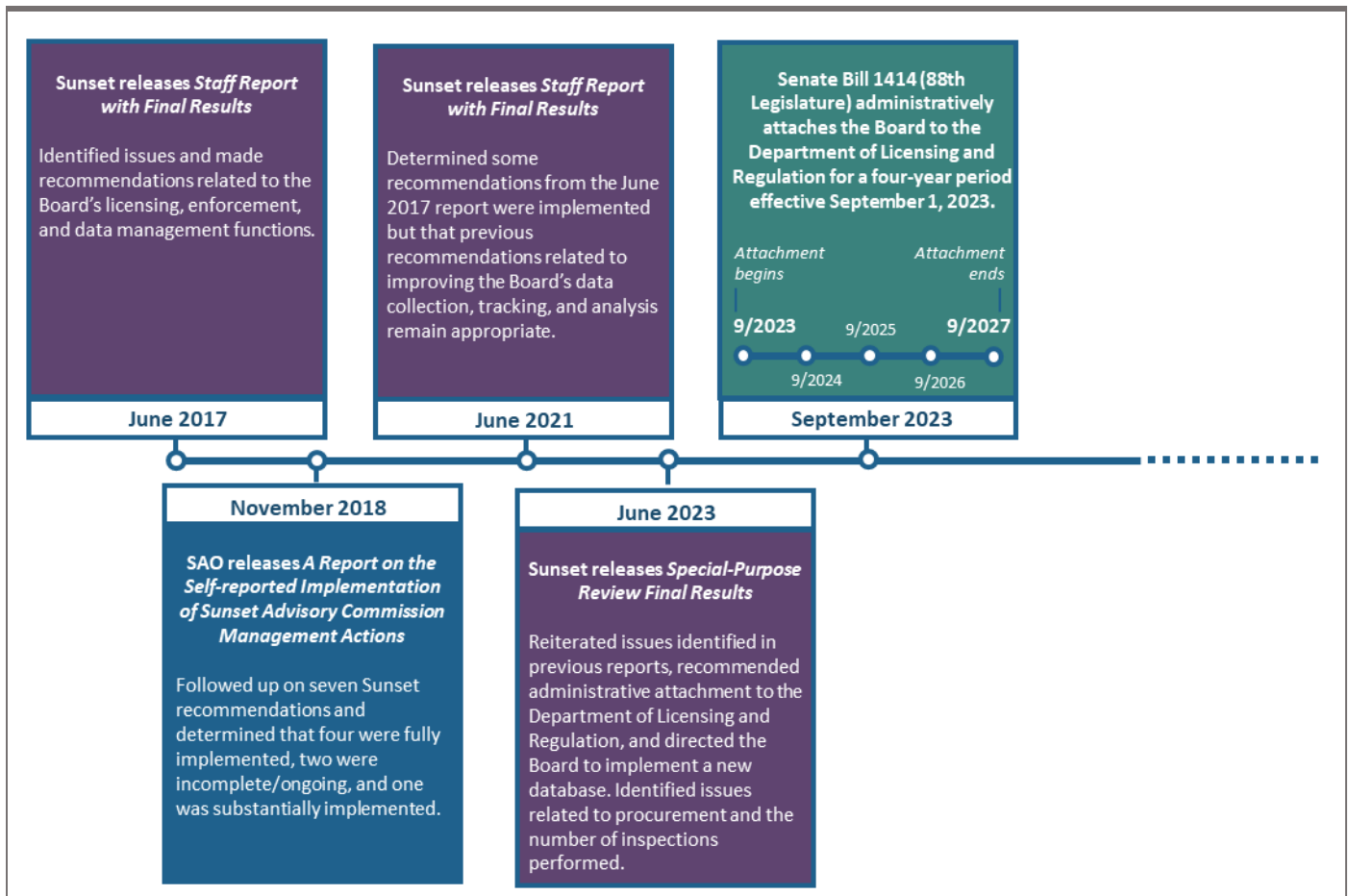
For more on the methodology for issue ratings, see [Report Ratings](#) in Appendix 1.

Background Information

The Sunset Advisory Commission (Sunset) made recommendations to the Board of Veterinary Medical Examiners (Board), including recommendations that it work with the Department of Licensing and Regulation (DLR) and Department of Information Resources (DIR). Figure 1 provides a timeline of the relevant Sunset and State Auditor’s Office (SAO) reviews and legislative actions.

Figure 1

Timeline of Reviews and Legislative Actions



Status of Sunset Advisory Commission Recommendations and Issues

This audit followed up on recommendations adopted by Sunset related to the Board's systemic data management and enforcement program issues that had not been determined to be resolved by other Sunset or SAO reviews.

Figure 2 on the next page provides a summary of auditors' determination of the implementation status of those recommendations.

This audit did not evaluate the Board's licensing data because implementation of a new licensing system was ongoing as of the conclusion of this audit in July 2024. [See Chapter 1](#) for a discussion of the current status of the Board's efforts to implement a new information system.

Implementation Status Definitions



Fully Implemented: Successful development and use of a process, system, or policy to implement a recommendation.



Substantially Implemented: Successful development but inconsistent use of a process, system, or policy to implement a recommendation.











Ongoing: Ongoing development of a process, system, or policy to address a recommendation.




Not Implemented: Lack of a formal process, system, or policy to address a recommendation.

Figure 2

Implementation Status of Sunset Advisory Commission Recommendations^a

| Summary of Sunset Recommendation | Auditors' Determination of the Implementation Status | Follow-up in This Report |
|---|--|---|
| <ul style="list-style-type: none"> Clearly define and consistently implement its enforcement procedures. Develop and publish policies governing a complainant's access to information. (June 2017 report, Recommendation 2.2) |  Ongoing | Chapter 2-A Chapter 2-B Chapter 2-C |
| Improve its enforcement data tracking systems and processes. (June 2017 report, Recommendation 2.3) |  Ongoing | Chapter 1 Chapter 2-B Chapter 2-C |
| Collect and track relevant data to establish a risk-based approach to onsite inspections. (June 2017 report, Recommendation 3.3) |  Ongoing | Chapter 2-B |
| Develop a robust educational process to regularly educate licensees about controlled substances laws, rules, and inspection standards. (June 2017 report, Recommendation 3.5) |  Fully Implemented | Chapter 2-A |
| Improve tracking of non-jurisdictional complaints. (June 2017 report, Recommendation 4.9) |  Substantially Implemented | Chapter 2-A |
| Ensure that the website accurately reflects the disciplinary status of each licensee, as well as making all Board-approved disciplinary orders available and easily found on the website. (June 2021 report) |  Ongoing | Chapter 2-A |
| Work with both DLR and DIR to determine its database needs, and to acquire and implement a suitable database. ¹ (June 2023 report) |  Fully Implemented | Chapter 1 |
| Shadow DLR staff to be trained in licensing, inspection, and enforcement policies and procedures. (June 2023 report) |  Fully Implemented | Chapter 4 |

¹ As of July 2024, the Board had procured a new licensing system, but implementation was ongoing.

| Summary of Sunset Recommendation | Auditors' Determination of the Implementation Status | Follow-up in This Report |
|--|---|--|
| <p>Due to the administrative attachment to DLR recommended by Sunset and enacted by the Legislature, the DLR's Commission on Licensing and Regulation must approve disciplinary actions and certain rule changes proposed by the Board. (June 2023 report)</p> | <p style="text-align: center;">  Fully Implemented </p> | <p style="text-align: center;">Chapter 4</p> |
| <p>^a These are the outstanding Sunset recommendations significant to this audit objective. Some recommendations from Sunset's June 2017 report were determined to be fully implemented in subsequent Sunset reports or the SAO (see Report No. 19-012, November 2018) and were therefore not addressed by this audit.</p> | | |

This audit also followed up on issues Sunset identified related to contracting that were not associated with specific recommendations ([see Chapter 3](#)).



MEDIUM

Chapter 1 Information System Procurement

As recommended by the Sunset Advisory Commission (Sunset), the Board of Veterinary Medical Examiners (Board) worked with the Department of Licensing and Regulation (DLR) and the Department of Information Resources (DIR) to procure a new database. For example, the Board held weekly meetings with DIR and DLR staff to work on the procurement.

Additionally, DIR performed an assessment to help the Board identify its needs. On

March 5, 2024, the Board selected a proposal for a new licensing system through DIR's Technology Solution Services contract with Deloitte. The price range given by Deloitte was approximately \$1 million to \$2 million. As of July 2024, the Board's implementation of a new licensing system was ongoing.

According to the Board and the vendor's proposal, the system is expected to handle online license applications, including new and renewed licenses, and allow the public to verify licenses online. The Board stated that the new system will require licensees to upload their continuing education certificates before renewing their licenses. This would allow the Board to verify compliance for more licensees rather than assessing compliance only for those licensees selected for inspections, as in its current process.

State Entities and Abbreviations

- Sunset Advisory Commission (Sunset)
- Board of Veterinary Medical Examiners (Board)
- Department of Licensing and Regulation (DLR)
- Department of Information Resources (DIR)

The system selected by the Board did not include the functionality to track the Board's enforcement activities.

Both Sunset and DIR identified the need to track enforcement data. According to the Board, it selected the proposal for a system lacking that functionality due to resource constraints.

Additionally, as of July 2024, the Board could not provide documentation that the proposed system would address the following needs that DIR identified:

- Data analysis to identify trends and risks.
- Automated reporting, which would include customizable report templates that would help with fiscal reports, trend analysis, and licensee counts.

As a result, the Board expected to continue tracking enforcement data in spreadsheets following implementation of the new system. See [Chapter 2-A](#), [Chapter 2-B](#), and [Chapter 2-C](#) for auditors' evaluation of that tracking.

Recommendation

The Board should develop and implement processes, using its new licensing system and/or the enforcement data discussed in Chapters 2-A, 2-B, and 2-C, to perform data analysis to identify trends and risks and reporting for fiscal reports, trend analysis, and licensee counts.

Management's Response

TBVME agrees with this recommendation. The agency's new licensing database went live in early August 2024 and is currently operational. Additionally, the agency is requesting exceptional item funding for the 2026-2027 biennium to supplement the database with enforcement and compliance modules. We feel that utilizing this platform will help improve our data collection and analysis to help the agency fully utilize data driven decision-making. In the interim, the agency has implemented suggestions from this audit to make the agency's internal tracking spreadsheets more robust.

Person Responsible: Executive Director

Estimated Implementation Date: 9/1/2025

MEDIUM

Chapter 2-A Enforcement Functions

The Board's enforcement division performs (1) inspections of licensees and (2) investigations of complaints against licensees.

In June 2017 and June 2021 reports, Sunset recommended that the Board:

- Clearly define its enforcement procedures;
- Ensure that its website accurately reflects the disciplinary status of each licensee;
- Make all Board-approved disciplinary orders available and easily found on its website;
- Publish policies governing a complainant's access to information regarding his or her complaint;
- Develop a robust educational process to regularly educate licensees about controlled substance laws, rules, and inspection standards; and,
- Improve tracking of non-jurisdictional complaints.

The Board has made improvements to its enforcement function by implementing effective enforcement procedures, implementing monitoring controls, and educating licensees about controlled substances. However, the Board needs to improve its reporting of disciplinary actions on its website and its tracking of non-jurisdictional complaints.

The Board implemented effective policies and monitoring controls over enforcement functions.

After Sunset identified issues with the Board's enforcement functions in its June 2017 report, the Board developed policies and procedures for conducting inspections and investigations.

Enforcement Policies and Procedures. The Board's internal policies and procedures for enforcement were clearly defined and aligned with state law. For example, the Board has policies and procedures for performing inspections of licensees and for conducting and documenting investigations of complaints.

Oversight of Enforcement Division. Additionally, the Board has implemented monitoring controls over its enforcement function. Specifically, investigators submit monthly reports to the Director of Enforcement who reconciles them to the case and inspection tracking spreadsheets.

The Board should improve the accuracy and completeness of the information it provides to the public.

When the Board determines that a complaint against a licensee is valid or that an individual has been practicing veterinary medicine without a valid license, it may take action against those individuals. Those actions may include suspending a license, requiring additional training, or issuing a cease-and-desist order for practicing without a license.

Disciplinary Orders. The Board did not make all approved disciplinary orders available and easily found on its website and did not accurately report 7 (21 percent) of 33 disciplinary actions tested on its website. Six of those errors occurred because the Board did not have a process to verify that all approved cease-and-desist orders were included on its website. The other error occurred because the Board did not have a process to verify that it identified and tracked the disciplinary action ([see Chapter 2-C](#) for discussion of the Board’s need to strengthen complaint case tracking). As a result, the public will not know about those disciplinary actions when determining where to take an animal for care.

Complainant’s Access to Information. The Board should develop and publish policies governing a complainant’s access to information regarding his or her complaint, as recommended by Sunset in its June 2017 and June 2021 reports. As of May 2024, the Board’s website contained information on the types of complaints the Board accepts, instruction on obtaining an official complaint form, and a description of what happens after the Board has received the complaint. It also stated on its website that complainants will be notified of the complaint disposition. However, it did not contain information specific to a complainant’s access to information regarding the investigation process, the status of the investigation, and the confidentiality of investigation files.

The Board regularly educated licensees about controlled substance laws and inspection standards.

The Board primarily provided education to licensees regarding controlled substance laws, rules, and inspection standards by (1) providing trainings in collaboration with the federal Drug Enforcement Administration, (2) approving and listing third-party courses on its website, and (3) making information on inspection standards (including information related to controlled substances) available on its website.

The Board should improve its tracking of non-jurisdictional complaints.

The Board receives complaints over which it does not have jurisdiction. According to the Board, examples of cases outside of the Board's jurisdiction include allegations against pet groomers or that fall under the jurisdiction of law enforcement or animal control. The Board tracked non-jurisdictional complaints; however, it should strengthen that tracking to include (1) the subject matter of the complaint, (2) the reason the complaint was non-jurisdictional, and (3) referrals to other entities. This practice would allow the Board and other policymakers to identify trends within non-jurisdictional complaints to better inform decision-making and coordination with law enforcement and other entities. After auditors brought this to its attention, the Board updated its tracking of non-jurisdictional cases to include the subject matter of complaints and referrals to other entities.

Recommendations

The Board should:

- Develop and implement a process to verify that it is identifying and tracking disciplinary actions taken.
- Make all approved disciplinary actions available and easily found on its website.

- Develop and implement a process to verify that all approved cease-and-desist orders are included on its website.
- Develop and publish policies governing a complainant's access to information regarding his or her complaint.
- Strengthen its tracking of non-jurisdictional cases by including the reason the complaint was non-jurisdictional.

Management's Response

The agency agrees with these recommendations. The agency is requesting exceptional item funding for the 2026-2027 biennium to add on to the existing new licensing system to better track enforcement actions and data. However, in the interim the agency is working with the licensing system developers to ensure that all current disciplinary orders and cease and desist orders are available on the public facing website. TBVME is also in the process of hiring and onboarding a systems administrator and one of the initial tasks for that role is a comprehensive redesign of the website, including updating the information available to complainants. Additionally, TBVME has implemented the data collection recommendations from this audit and is now tracking disciplinary actions and non-jurisdictional complaints.

People Responsible: Executive Director, General Counsel, Enforcement Director and Systems Administrator

Estimated Implementation Date: 12/1/2024

HIGH

Chapter 2-B Enforcement: Inspections

In its June 2017 and June 2021 reports, Sunset recommended that the Board:

- Collect and track relevant data to establish a risk-based approach to onsite inspections;
- Consistently implement its enforcement procedures; and,
- Improve its enforcement data tracking systems and processes.

Additionally, Sunset expressed concern about a decrease in the number of inspections conducted in fiscal year 2021 relative to prior years.

Overall, the Board exceeded its performance measures for inspections performed during the period audited (September 1, 2022, through February 29, 2024) and has generally implemented procedures for performing inspections consistently. However, the Board could not demonstrate that it selected licensees for inspection based on risk, and it should strengthen its tracking of inspection data.

The Board did not document its process for selecting licensees for inspection.

Identifying Licensees for Inspection. The Board had a process for identifying licensees for inspection. However, due to issues with the current licensing system, which were identified by Sunset and remain unaddressed pending implementation of a new licensing system ([see Chapter 1](#)), the Board could not be sure that all licensees were considered for inspection. In an effort to compensate for this, the Board used data on registrants from the federal Drug Enforcement Administration to supplement its processes for identifying licensees for inspection. The Board asserted that its new licensing system will improve the accuracy of the licensee population.

Selecting Licensees for Inspection Based on Risk. As recommended by Sunset, the Board developed procedures requiring that licensees be prioritized for inspection based on risk; the risk factors in the Board's procedures aligned with the risk factors in Sunset's recommendation. The Board asserted that it selected licensees for inspection based on risk; however, there was no

evidence showing that the licensees inspected were selected based on risk for any of the 40 inspections tested. The Board did not document its selection process. Additionally, the Board's method of identifying licensees to inspect did not include the data necessary to ensure that all licensees were inspected at least once every eight years as recommended by Sunset.

In response to auditors' inquiries, the Board provided a new workbook it was building to help it select licensees for inspection. That workbook included columns for the date of previous inspections, notes from pre-inspection research, disciplinary actions, and previous complaints and findings. As of May 2024, that workbook had not been completed and implemented.

The Board exceeded its performance measure for the number of inspections performed for fiscal year 2023.

In fiscal year 2023, the Board performed 768 inspections, exceeding its performance measure of 750. As of February 29, 2024, the Board had performed 817 inspections in fiscal year 2024, thus exceeding half of its performance measure of 1,600 inspections for the full year.

The Board performed inspections consistently and in accordance with its procedures; however, it did not follow up on all rule violations identified during inspections.

The Board generally implemented its procedures for performing inspections consistently. For example, for all 40 inspections tested, investigators used the templates developed by the Board and documented that they inspected for all the items required by the Board's procedures. Additionally, for the 12 of those 40 inspections tested that identified rule violations, the Board either followed up to verify the violation was resolved or opened a complaint investigation case for 9 of those inspections. However, for the remaining 3 of those 12 inspections, the Board did not follow up to determine whether a rule violation identified was resolved or to open a complaint case. These three violations included not displaying licenses and not maintaining accurate contact information. If the Board does not follow up on rule violations, the likelihood

that the violations may persist increases. The lack of follow-up occurred because there was no documented process for review of inspections and because the Board was not consistently tracking the status of follow-up on inspections (as discussed below). After auditors brought these issues (and the issues related to inspection data discussed below) to the Board's attention, the Board implemented a process for the Director of Enforcement to review inspection reports.

The Board did not consistently document its pre-inspection research.

The Board did not consistently retain documentation showing that it performed pre-inspection procedures for the 40 inspections tested. Prior to conducting an inspection, the Board's procedures require investigators to review previous inspections, research relevant complaint cases, research the licensee's website, and review Prescriber Activity Reports from the Board of Pharmacy for potentially harmful prescribing patterns. The Board has a template for performing and documenting this work. The Board provided examples for other inspections outside the sample of completed pre-inspection research and 12 of the inspections tested had Prescriber Activity Reports saved in the file. The Board asserted that it performed pre-inspection procedures; however, documentation was not consistently retained. After auditors brought this matter to its attention, the Board added electronic folders to retain its pre-inspection work.

The Board should strengthen its tracking of inspection data.

Inspection Data: Consistency. The Board established uniform case management procedures that clearly set out what information the Board needs to record and keep for inspections. However, auditors' initial review of the Board's fiscal year 2023 inspection files and tracking identified significant weaknesses, inaccuracies, and inconsistencies. The Board corrected those issues during the audit. After those corrections, the Board tracked inspection data consistently for its fiscal year 2023 inspections. As of February 29, 2024, the Board tracked most fiscal year 2024 inspections consistently. Of 817

tracked fiscal year 2024 inspections, 21 inspections had inconsistent inspection numbers and 18 had dates that were inconsistently formatted or transposed during data entry. The Board also should include the license number as its own column in the inspection tracking workbook so that the Board can more easily match information by licensee and implement data validation checks to improve the consistency and effectiveness of its data.

Inspection Data: Accuracy. In addition to reviewing the Board's tracking workbooks for consistency (discussed above), auditors tied a sample of 25 inspections from the tracking workbooks to supporting documentation. The Board generally tracked those 25 inspections consistently and accurately. For example, it accurately tracked inspection numbers, dates, licensee names, clinic names, and investigator names for all 25 inspections tested. However, it did not track whether a complaint was opened based on the inspection results for 15 (60 percent) of 25 inspection files tested. For those inspections, this field was left blank. However, 3 of those 15 inspections identified rule violations, but the Board did not either verify that the violations were resolved or open a complaint (as discussed in the section on performing inspections above). For the remaining 12 inspections, no violations were identified.

Recommendations

The Board should:

- Develop a complete database of licensees and use that as a source when considering licensees to inspect.
- Implement and document a risk-based process for selecting licensees for inspection, including maintaining data necessary to ensure that all licensees are inspected at least once every eight years.
- Document its pre-inspection research for all inspections.
- Include the license number as its own column in its inspection tracking workbook.
- Implement validation checks to improve the consistency and accuracy of its data.
- Track whether follow-up on violations is pending or completed and whether a complaint has been opened for violations identified by inspections.

Management's Response

The agency agrees with these recommendations and has taken steps to implement them. With the implementation of licensing database, many of these tasks are made easier. Additionally, if the agency is granted funding to build out the enforcement and compliance of the database, many of these tasks can be automated and better data analysis will be used to plan compliance inspections.

Person Responsible: Director of Enforcement

Estimated Implementation Date: 9/1/2024

MEDIUM

Chapter 2-C Enforcement: Investigations

In its June 2017 and June 2021 reports, Sunset recommended that the Board:

- Consistently implement its enforcement procedures; and,
- Improve its enforcement data tracking systems and processes.

Additionally, Sunset expressed concern about the Board's complaint case resolution times in its June 2023 report.

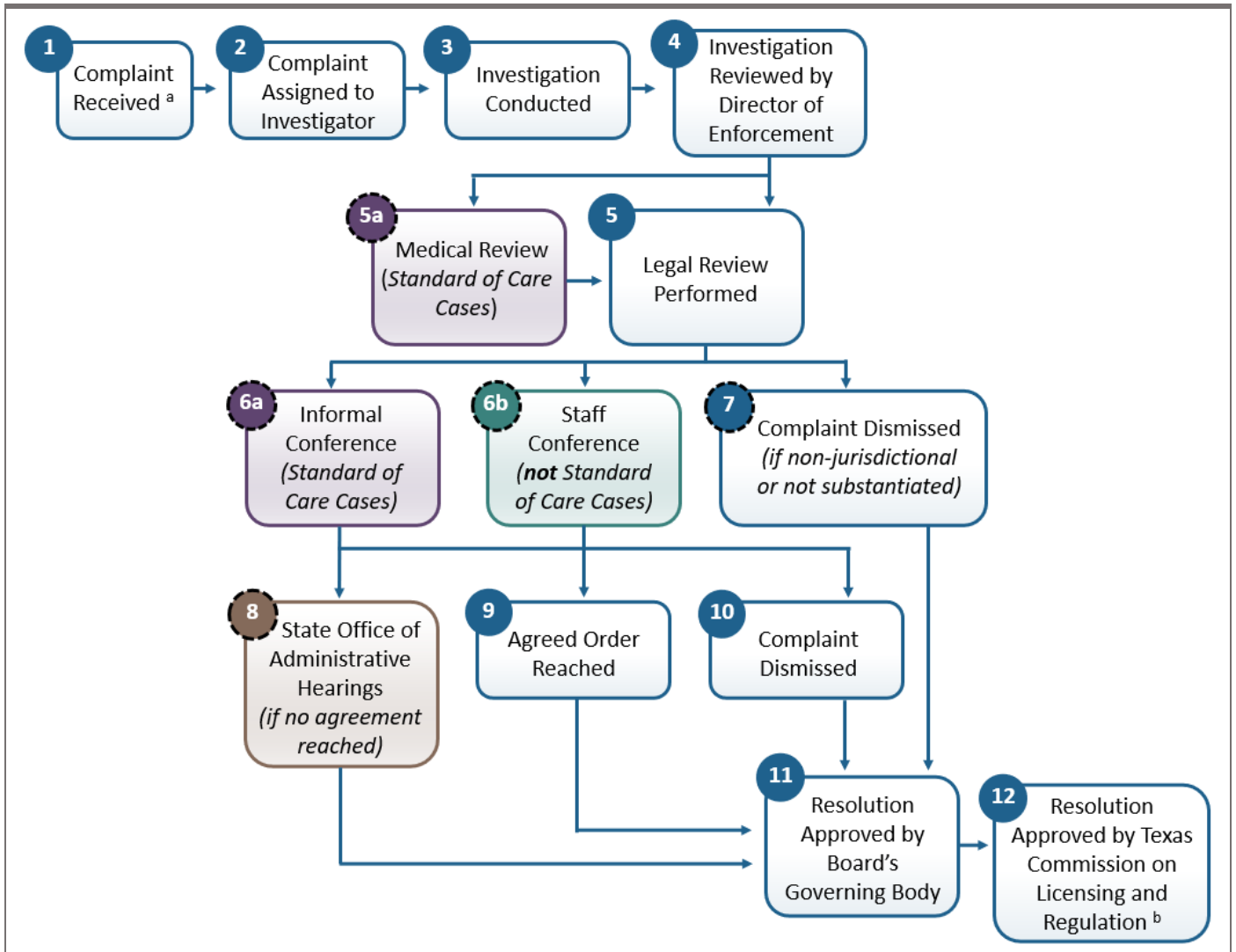
This audit determined that the Board has consistently implemented its procedures for conducting investigations and has reduced its average investigation completion times; however, it should consistently track all stages of its complaint resolution process.

The Board should track all stages in its complaint resolution process.

As shown in Figure 3 on the next page, the Board's process for resolving cases has several steps, including the investigation stage.

Figure 3

Complaint Case Resolution Process



^a Some cases are also started as a result of rule violations the Board identified during inspections.

^b Only for cases resolved after December 1, 2023.

Source: The Board.

The Board had a workbook it used to track the status of cases through their approval and disposition processes. However, it could strengthen this control and gain potentially valuable data on case resolution times and statuses by tracking all stages of the process, including the date that the case made it past each applicable stage. With its current tracking system, the Board cannot readily identify delays and bottlenecks nor can it determine whether it is meeting its performance measure for average time for complaint resolution of 180 days.

The Board consistently implemented its procedures for conducting investigations.

Overall, the Board consistently implemented its procedures for conducting investigations. For example, for all 25 investigations tested, the investigations were performed and documented in accordance with applicable requirements and the parties involved in the cases were notified of the outcome of the investigation and the next steps in the process. However, the Board did not always document a review of cases by its legal department. For 10 (83 percent) of the 12 cases tested that had reached a point at which a legal review should have taken place, the Board did not have documentation indicating that the reviews occurred. The Board did not have a process or requirement to document the legal reviews.

The Board tracked most investigation information consistently and accurately; however, it should further strengthen its tracking to improve the data's usefulness.

The Board established uniform case management procedures that clearly set out the information that the Board needs to record and keep for investigations. Of a sample of 25 investigations tested, the Board tracked the case number, investigator name, complainant name, and licensee accurately. However, the Board's tracking contained some errors. For example:

- For 3 (12 percent) of the 25 investigations tested, the type of complaint listed in the case files did not match the type listed in the tracking workbook. These were all instances of multiple allegations. The Board should develop a method of tracking multiple allegations and/or violations for a single case to improve the completeness and usefulness of its data.
- For 3 (12 percent) of the 25 investigations tested, the date a complaint was received was inaccurate or not supported. These were all fiscal year 2023 cases. Two of the errors occurred because the Board did not stamp the hard-copy complaints when they were received via mail. The other error occurred because the Board recorded the date the complaint was assigned to an investigator rather than the date the

Board received it. In fiscal year 2024, the Board changed its process to log, scan, and e-mail hard-copy complaints to investigators. Accurately tracking the date received helps the Board more accurately calculate the time it takes to resolve complaints.

- Additionally, some date fields in the Board’s fiscal year 2023 and fiscal year 2024 investigation tracking workbooks contained illogical values due to data entry errors; five cases were missing the type of complaint; and some investigator name fields contained values that were not conducive to analysis and filtering.

The Board should implement data validation checks to strengthen the consistency, accuracy, and usefulness of its investigation data.

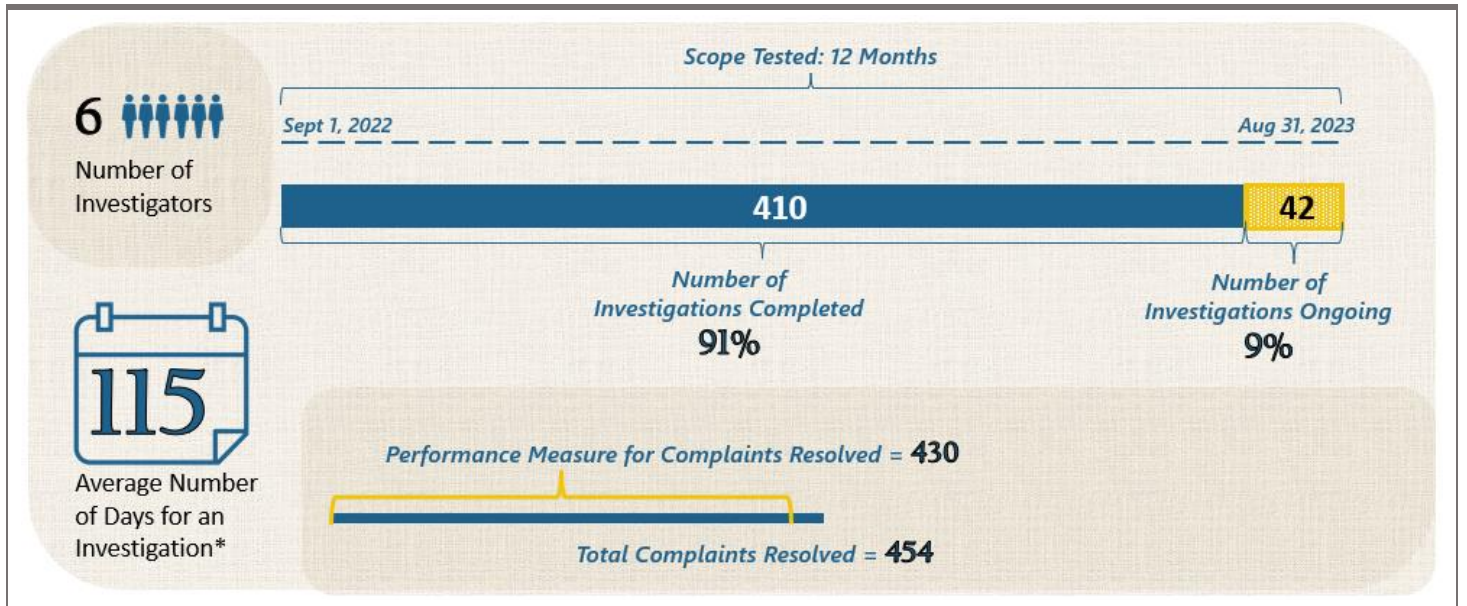
The Board has reduced its average complaint investigation times and resolved the number of complaints required by its performance measure for fiscal year 2023.

As shown in Figure 4 and Figure 5 on the following pages, the Board had more investigators in fiscal year 2024 than in fiscal year 2023 and reduced the average number of days to complete investigations and the overall average number of days investigations have been open.

The Board received or initiated 452 complaints in fiscal year 2023 and, as of February 29, 2024, had received or initiated 222 complaints in fiscal year 2024.

Figure 4

Fiscal Year 2023 Average Investigation Times and Complaints Resolved



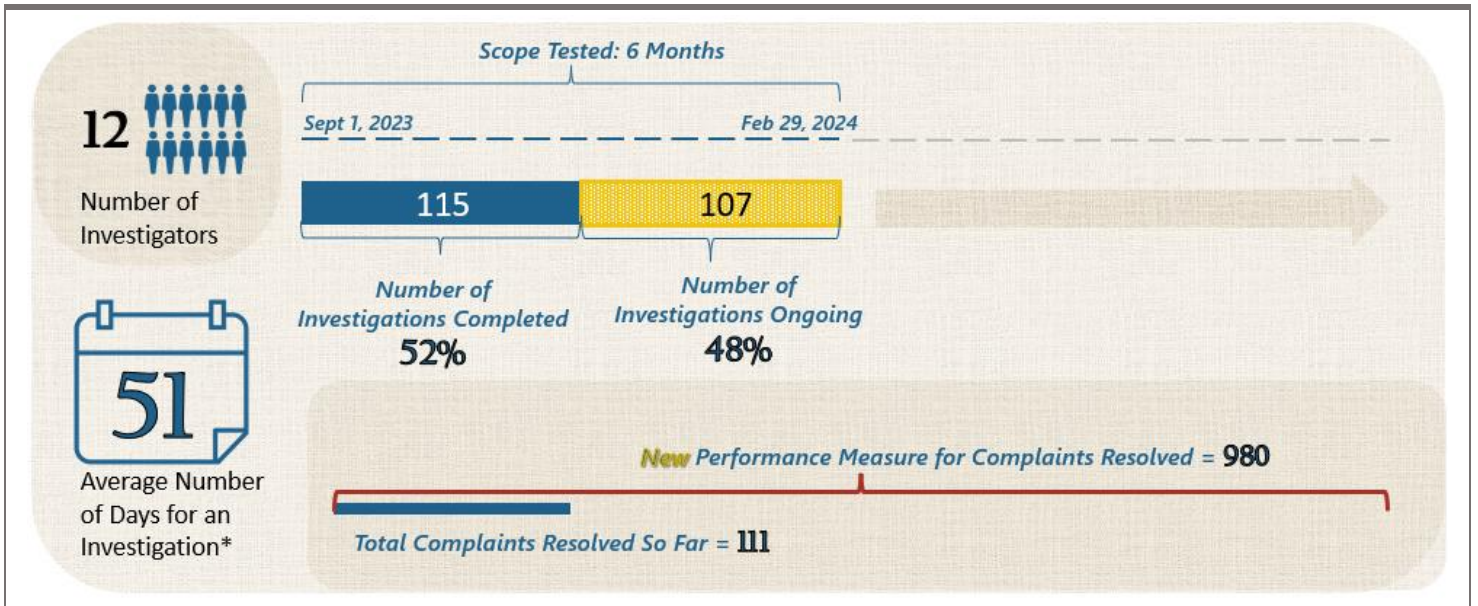
* This average incorporates both the average number of days an investigation has been open for cases still open/active as of February 29, 2024, and the average number of days spent on completed investigations in fiscal year 2023.

Note: The number of investigations completed will not match the number of complaints resolved because, as shown in Figure 3, there are more stages in the complaint resolution process than the investigation.

Source: The Board.

Figure 5

Fiscal Year 2024 Average Investigation Times and Complaints Resolved



* This average incorporates the average number of days an investigation has been open (if it was still open/active as of February 29, 2024) and the number of days spent to complete the investigation (if it has been completed).

Note: The number of investigations completed will not match the number of complaints resolved because, as shown in Figure 3, there are more stages in the complaint resolution process than in the investigation process.

Source: The Board.

Recommendations

The Board should:

- Develop and implement a process to document the review of complaint cases by its legal department.
- Develop and implement a method of tracking multiple allegations and/or violations for a single case.
- Track all stages of its case resolution process and the date each case reached each applicable stage.
- Implement validation checks to improve the consistency and accuracy of its data.

Management's Response

The agency agrees with the recommendations and has taken steps to implement these recommendations on current internal case tracking documents.

Person Responsible: Director of Enforcement

Estimated Implementation Date: 9/1/2024

LOW

Chapter 3 Procurement

In its June 2023 report on the Board, Sunset identified issues with the Board's contracting practices. In response, the Board developed and implemented procurement policies and procedures that aligned with the *State of Texas Procurement and Contract Management Guide*. For example, the procedures include guidance on selecting the appropriate procurement method, obtaining required approvals, and verifying that invoices match purchase orders.

The Board used appropriate procurement methods and payments to vendors were supported.

For all 32 vendor payments tested, payments were supported by requisition forms, purchase orders, invoices, and evidence of receipt of the goods or services. Additionally, the Board used the appropriate procurement method for all vendor payments tested. However, the requisition forms for 4 (13 percent) of the 32 payments were not approved by the Executive Director, in accordance with the Board's policies and procedures. According to the Board, the Executive Director was out of town and gave verbal approval for the requisitions. However, that approval was not documented. The Board did not have a designated backup or other process for review and approval of purchases when the Executive Director is unavailable.

Recommendation

The Board should designate a backup approver or develop another process for review and approval of purchases when the Executive Director is unavailable.

Management's Response

The agency has implemented back-up protocols to ensure that there is written approval of all purchases.

Person Responsible: Director of Finance

Estimated Implementation Date: 9/1/2024

LOW

Chapter 4

Attachment to the Department of Licensing and Regulation

[Senate Bill 1414 \(88th Legislature, Regular Session\)](#) amended Texas Occupations Code, Chapter 801, to administratively attach the Board to the Department of Licensing and Regulation (DLR) for a four-year period beginning September 1, 2023.

The Board and DLR implemented applicable Sunset recommendations and statutory requirements related to the Board's administrative attachment to DLR.

Specifically, Board staff shadowed DLR staff to be trained in licensing and enforcement policies and procedures. Additionally, after the administrative attachment, the Commission on Licensing and Regulation (DLR's governing body) approved the Board's complaint case dispositions and proposed administrative code changes.



Appendix I

Objective, Scope, and Methodology

Objective

The objective of this audit was to determine whether the Board of Veterinary Medical Examiners (Board) has implemented Sunset Advisory Commission (Sunset) recommendations related to systemic data management and enforcement program issues.

Scope

The scope of this audit covered:

- Purchases and vendor payments from September 1, 2023, through February 29, 2024.
- Enforcement cases pertaining to complaints received and inspections from September 1, 2022, through February 29, 2024.
- Rule changes implemented from September 30, 2023, through May 31, 2024.
- The Department of Licensing and Regulation (DLR)'s oversight of the Board through February 29, 2024.
- The Board's efforts to procure a new database from September 1, 2022, through May 31, 2024.

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



- Matthew M. Owens, MBA, CPA, CFE, CGAP, CIA, CISA (Project Manager)
- Nick Dufour (Assistant Project Manager)
- Erica Chapa, CPA, CFE
- Bria Freeland, MBA
- Alanna C. Glor
- Gabrielle Magadia, MAcy, CFE
- Michelle Ann Duncan Feller, CPA, CIA (Quality Control Reviewer)
- Becky Beachy, CIA, CGAP (Audit Manager)

Methodology

We conducted this performance audit from January 2024 through July 2024 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. In addition, during the audit, matters not required to be reported in accordance with *Government Auditing Standards* were communicated to Board and DLR management for consideration.

Addressing the Audit Objectives

During the audit, we performed the following:

- Interviewed Board and DLR staff to gain an understanding of enforcement, procurement, and data-related functions.
- Identified the relevant criteria:
 - Texas Occupations Code, Chapter 801.
 - Outstanding data and enforcement-related recommendations made in Sunset’s June 2023, June 2021, and June 2017 reports on the Board.
 - The Department of Information Resources’ *Security Control Standards Catalog*, version 2.1.
 - The Board’s policies and procedures.
 - General Appropriations Acts (87th and 88th Legislatures).
 - The *State of Texas Procurement and Contract Management Guide*, version 3.0.
- Conducted interviews and reviewed calendar appointments, agendas, training materials, and e-mail correspondence to determine whether Board staff shadowed DLR staff.

- Reviewed meeting videos, agendas, and minutes to determine whether the DLR's Commission on Licensing and Regulation was approving rule changes and disciplinary actions recommended by the Board.
- Conducted interviews and reviewed calendar appointments and e-mail correspondence to determine whether the Board worked with DLR and the Department of Information Resources (DIR) to procure a new information system.
- Compared specifications for new licensing system to Sunset recommendations and DIR needs assessment.
- Reviewed the Board's procurement policies for alignment with state requirements.
- Tested a sample of 32 vendor payments to determine whether the Board used the appropriate procurement method, whether the payments were supported, and whether the purchases and payments were approved in accordance with the Board's policies. From September 1, 2023, through February 9, 2024, the Board made 154 vendor payments. Auditors selected a nonstatistical random sample of 31 vendor payments and selected 1 additional payment based on dollar value. This sampling design was chosen to ensure a cross section of vendor payments, as well as adequate dollar coverage. The test results as reported do not identify which items were randomly selected or selected using professional judgment; therefore, it would not be appropriate to project the test results to the population.
- Reviewed the Board's tracking of inspections and investigations for (1) alignment with Sunset recommendations, (2) illogical values, and (3) effectiveness.
- Reviewed the Board's Texas Administrative Code, policies and procedures, forms and templates, and strategic plan for alignment with Texas Occupations Code, Chapter 801, and Sunset recommendations.
- Reviewed the Board's website to determine whether it contained policies governing a complainant's access to information.
- Observed controlled substance training and sign-in sheets, and reviewed training information provided on the Board's website to licensees.

- Compiled the population of complaint cases resolved from September 1, 2022, through February 29, 2024, from meeting agendas, minutes, videos, and State Office of Administrative Hearings filings.
- Tested a sample of 33 disciplinary actions to determine whether the disciplinary action was accurately displayed on the Board’s website. From September 1, 2022, through February 29, 2024, the Board took a total of 149 disciplinary actions. Auditors selected a nonstatistical random sample of 30 disciplinary actions and selected 3 additional cases to address specific risk factors identified in the population. The test results as reported do not identify which items were randomly selected or selected using professional judgment; therefore, it would not be appropriate to project the test results to the population.
- Performed the following tests using two random samples pulled from the population of 1,585 inspections that were completed from September 1, 2022, through February 29, 2024. These two samples were selected to ensure a cross section of the inspections. The sample items were not necessarily representative of the population; therefore, it would not be appropriate to project the test results to the population.
 - Tested a sample of 40 inspections to determine whether the Board implemented its procedures for performing inspections consistently and whether it was selecting licensees for inspection based on risk.
 - Tested a sample of 25 inspections to determine whether the tracking information was accurate.
- Evaluated the Board’s process for selecting licensees for inspection.
- Tested a sample of complaint investigations to determine whether the Board implemented its procedures for performing investigations consistently and tracked data on the investigations accurately. Of a total population of 552 complaint investigations completed from September 1, 2022, through February 29, 2024, auditors selected a nonstatistical random sample of 25 complaint investigations. The sample items were not necessarily representative of the population; therefore, it would not be appropriate to project the test results to the population.
- Performed analysis on investigations completed and complaint cases resolved by the Board and the DLR’s Commission on Licensing and Regulation.

- Tested user access to the Uniform Statewide Accounting System and the Centralized Accounting and Payroll/Personnel System.

Data Reliability and Completeness

Auditors determined that the data sets listed in Figure 6 were sufficiently reliable for the purposes of the audit.

Figure 6

Data Reliability

| Data | Methodology for Assessing Reliability |
|---|---|
| Vendor Payment Population | (1) Independently ran the vendor payment report directly from the Uniform Statewide Accounting System, (2) verified the parameters used, (3) reviewed key fields for accuracy and completeness, and (4) compared to summary level financial data from the Office of the Comptroller of Public Accounts’ FMQuery system. |
| Inspection Population | (1) Traced all the inspections recorded in the Board’s tracking workbook to inspection reports on the Board’s network drive and (2) reviewed key fields for accuracy and completeness. |
| Complaint Investigation Cases Population | (1) Traced all the investigations recorded in the Board’s tracking workbook to investigation reports on the Board’s network drive and (2) reviewed key fields for accuracy and completeness. |
| Disciplinary Actions Population | Compared the population of disciplinary actions provided by the Board to meeting agendas, minutes, videos, and State Office of Administrative Hearings filings. |
| User Accounts, Roles, and Permissions With Access to Financial Systems Population | (1) Observed Board staff generate the requested information or generated the information directly from the Uniform Statewide Accounting System, (2) verified the parameters used, and (3) reviewed key fields for accuracy and completeness. |

Report Ratings

In determining the ratings of audit findings, auditors considered factors such as financial impact; potential failure to meet program/function objectives; noncompliance with state statute(s), rules, regulations, and other requirements

or criteria; and the inadequacy of the design and/or operating effectiveness of internal controls. In addition, evidence of potential fraud, waste, or abuse; significant control environment issues; and little to no corrective action for issues previously identified could increase the ratings for audit findings. Auditors also identified and considered other factors when appropriate.

Appendix 2

Related State Auditor's Office Reports

Figure 7

| Report Number | Report Name | Release Date |
|------------------------|--|---------------|
| 19-012 | <i>A Report on the Self-reported Implementation of Sunset Advisory Commission Management Actions</i> | November 2018 |



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The Honorable Dan Patrick, Lieutenant Governor, Joint Chair

The Honorable Dade Phelan, Speaker of the House, Joint Chair

The Honorable Joan Huffman, Senate Finance Committee

The Honorable Robert Nichols, Member, Texas Senate

The Honorable Greg Bonnen, House Appropriations Committee

The Honorable Morgan Meyer, House Ways and Means Committee

Office of the Governor

The Honorable Greg Abbott, Governor

Sunset Advisory Commission

Members of the Commission

Mr. Eric Beverly, Executive Director

Board of Veterinary Medical Examiners

Members of the Board

Ms. Brittany Sharkey, Executive Director

Department of Licensing and Regulation

Members of the Commission on Licensing and Regulation

Ms. Courtney Arbour, Executive Director



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