



TEXAS GENERAL LAND OFFICE
COMMISSIONER DAWN BUCKINGHAM, M.D.

REPORT ON THE AUDIT OF THE TEXAS STATE VETERANS' CEMETERY OPERATIONS CONTRACT MANAGEMENT

SEPTEMBER 2023

EXECUTIVE SUMMARY

The Veterans Land Board, Texas State Veterans Cemeteries (TSVC) program generally has effective processes and controls to ensure the TSVCs are operated in compliance with contractual requirements. The audit determined that the following activities were conducted in accordance with contractual requirements:

- Disposal of capital assets/equipment
- Determination of Veteran eligibility for interment
- Timely submission of required reports (*daily, monthly, and annual financial reports*)

Although processes and controls are in place to ensure TSVCS is operating in compliance with contractual requirements, there are areas that should be strengthened to enhance them.

Areas of improvement identified during the review pertained to the following:

1. Conduction of annual testing or exercises of the established Disaster Preparedness Plans in accordance with contractual requirements.
2. Development and submission of Risk Management and Loss Prevention Policies.
3. Routine periodic user access reviews to ensure appropriate access to sensitive data.
4. Retention of program documentation in adherence to agency requirements.

Additional information on the items mentioned above is outlined in the “Details Results” section of this report. As a result of the audit, there were additional opportunities to strengthen internal controls, but they did not meet the criteria for inclusion in this report. These items were presented to management in a separate communication.

MANAGEMENT'S SUMMARY RESPONSE

Management (concursgenerally concurs/does not concur.) with the recommendations. The "Detailed Results" section of this report contains management's response to each observation.

ACKNOWLEDGMENTS

The TSVC program and staff of the state Veterans cemeteries reviewed during this audit (Rio Grande Valley State Veterans Cemetery in Mission and the Coastal Bend State Veterans Cemetery in Corpus Christi) are to be commended for their efforts. We appreciate the assistance and cooperation provided to us by the management and staff of the TSVC program during this audit. For questions about this report, please contact Tracey Hall at (512) 463-6078.



Tracey Hall, CPA, CISA
Chief of Audit and Compliance

September 18, 2023

Date

BACKGROUND INFORMATION

The Veterans Land Board (VLB), in partnership with the U.S. Department of Veterans Affairs (VA), maintains and operates four state veterans' cemeteries in Killeen, Abilene, Mission, and Corpus Christi. Veterans, including all members of the armed forces and certain reserve component members, their spouses, and eligible dependents, can be interred at no cost to them.

The GLO entered into Cemetery Management and Operation Interlocal Cooperation Agreements with the City of Mission (October 2020) and Nueces County (October 2021) to take over specific maintenance and operations of the Rio Grande Valley State Veterans Cemetery and the Coastal Bend State Veterans Cemetery, respectively. A GLO on-site representative serves as a VLB representative at each cemetery to monitor operations and act as a liaison between GLO, VLB, veterans and families, the operator of the cemetery, and the local community. In addition to VLB's management and oversight of state veterans' cemeteries, they are subject to compliance reviews conducted by the VA.

Table 1: TSVC Interlocal Cooperation Agreements

Operator Name	Effective Date	Contract Amounts		
		FY20 - FY21	FY21 - FY22	FY22 - FY23
City of Mission	10/1/2020	\$750,000	\$750,000	\$750,000
Nueces County	10/1/2021	N/A	\$918,000	\$900,000

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DETAILED RESULTS

CHAPTER 1: ENSURE DISASTER PREPAREDNESS PLANS ARE TESTED ANNUALLY

The Interlocal Cooperation Agreements with both the Coastal Bend (CBSVC) and Rio Grande Valley (RGVSVC) State Veterans Cemeteries require an established Disaster Preparedness plan¹, to which each of the TSVCs reviewed has established a documented plan in adherence to contractual requirements. According to the plans,² the Cemetery Director must conduct a test, exercise, or drill of each individual Plan at least annually, with results documented and filed. However, it was determined that neither of the TSVCs reviewed were consistently conducting annual tests, exercises, or drills of the plan.

The CBSVC provided supporting documentation for a hurricane tabletop training that was conducted in May 2022 and a fire drill conducted in April 2023. The RGVSVC has not conducted any tests, exercises, or drills of their plan in FY2021, FY2022, or FY2023.

Conducting annual tests, exercises, or drills of the Plan ensures all personnel understand their roles and responsibilities during a disaster and are ready to step into these roles quickly and effectively with or without warning. Additionally, annual tests, exercises, or drills are conducted to identify areas for continued improvement of the disaster preparedness plans.

RECOMMENDATIONS FOR MANAGEMENT

The Texas State Veterans Cemeteries Program should ensure that the state Veterans Cemeteries conduct tests, exercises, or drills of the Disaster Preparedness Plan at least annually, with results documented and filed in adherence to contractual requirements.

MANAGEMENT'S RESPONSE

All Texas State Veterans Cemeteries (TSVCs) will conduct, at a minimum, an annual tabletop exercise and walk-through of the emergency procedures associated with the most dangerous and most likely natural disaster for their specific location.

On-site representatives (OSRs) at each cemetery are responsible for documenting the exercise and attendees and providing the documentation to the TSVC Staff Services Officer (SSO) for storage.

TSVC SSO will store the documentation on the shared drive IAW document retention policy.

Implementation Date: August 25, 2023

Contact: TSVC Staff Services Officer

¹ The purpose of a Disaster Preparedness plan is to provide a comprehensive course of action for any happening, circumstance, or condition that puts the cemetery personnel and/or visitors at risk and/or makes it impossible for the cemetery staff to make scheduled interments.

² Disaster Preparedness Plan, Section (2)(4), *Updating and Testing of Emergency Plan*

CHAPTER 2: ENSURE THE DEVELOPMENT AND SUBMISSION OF RISK MANAGEMENT AND LOSS PREVENTION POLICIES

Each of the Interlocal Cooperation Agreements requires that a risk management and loss prevention policy, identifying internal controls in place to prevent the misappropriation, loss, or damage of cemetery capital equipment and/or capital improvements, be submitted within 30 days from the effective date of the contracts³. The Coastal Bend SVC (Nueces County) provided a Fraud Policy (Policy) as required by the Interlocal Corporation Agreement^{4, 5}. However, the Rio Grande Valley SVC (City of Mission) has not provided a risk management and loss prevention policy as of the date of this review.

Without a Risk Management and Loss Prevention policy, the TSVC would not be able to attest to the internal controls and process that the City of Mission has in place for preventing the misappropriation, loss, or damage of capital equipment and/or capital improvements at the Rio Grande Valley SVC.

RECOMMENDATIONS FOR MANAGEMENT

The Texas State Veterans Cemetery Program should ensure the City of Mission, Texas, submits a Risk Management and Loss Prevention Policy that addresses preventing the misappropriation, loss, or damage of Capital Equipment and/or Capital Improvements in accordance with contractual requirements.

MANAGEMENT'S RESPONSE

The City of Mission will develop and provide a Risk Management and Loss Prevention Policy per the contract. The policy will be provided to the OSR, Dir, TSVC, and TSVC SSO. Dir, TSVC will review for sufficiency IAW contract terms.

TSVC SSO will store the documentation on the shared drive IAW document retention policy.

Implementation Date: October 1, 2023

Contact: Deputy Director of TSVC

³ The GLO entered into Interlocal Cooperation Agreements with the City of Mission (Rio Grande Valley) in October 2020; and Nueces County (Coastal Bend) in October 2021.

⁴ Section 6.02, Loss Prevention

⁵ Nueces County's Fraud Policy identifies internal controls for preventing misappropriation, loss, and damage of assets/equipment (e.g., separation of duties, proper authorizations of transactions, and safeguarding assets).

CHAPTER 3: ENSURE THAT USER ACCESS REVIEWS ARE ROUTINELY CONDUCTED TO ENSURE APPROPRIATE ACCESS TO SENSITIVE DATA

The Texas State Veterans Cemeteries (TSVC) program uses DocuShare to store interment records for veterans and family members. These records contain Personal Identifiable Information (PII). The TSVC is tasked with conducting routine access reviews to ensure that only needed personnel has access to the file and records maintained. User access reviews are a part of the user account management and access control process, which involves periodically monitoring the rights and privileges of individuals permitted to access the data.

During the audit it was identified that the TSVC program had not conducted user access reviews of the file to identify staff that no longer need access to the maintained information. Additionally, the TSVC program does not have a documented process for conducting such reviews. Such a process should identify the frequency of the reviews as well as the personnel responsible for conducting the reviews.

RECOMMENDATIONS FOR MANAGEMENT

The Texas State Veterans Cemeteries program should establish a process to ensure the routine/periodic review of user access to TSVC files that contain personally identifiable information (PII).

MANAGEMENT'S RESPONSE

Although TSVC cannot remove persons from the authorized user's list, TSVC SSO will conduct a quarterly review of users authorized to access and provide a list to ITS of those persons requested to be deleted from accessing the secure DocuShare pages.

Implementation Date: August 25, 2023

Contact: TSVC Staff Services Officer

CHAPTER 4: ENSURE QUARTERLY CEMETERY INSPECTIONS ARE RETAINED IN ACCORDANCE WITH AGENCY REQUIREMENTS

Each of the Interlocal Cooperation Agreements requires that On-Site Representatives (OSR) for each TSVC conduct inspections of the cemetery at least once per quarter.⁶ The inspections are conducted to determine the Provider's compliance with the requirements of TSVC's Operating Manual. In conducting the inspections, the OSRs utilize the *Cemetery Inspection Checklist* to document observations and areas of non-compliance identified.

During the review, it was identified that quarterly cemetery inspection reports were not maintained in accordance with the program and agency guidance⁷, which requires the retention of documentation for three years. Testing reflected that 50 percent of each of the sampled inspection reports from each of the TSVCs were not maintained as required⁸.

The Cemetery Operating Manual does not clearly outline the retention requirements or the responsible parties to ensure supporting documentation is properly maintained in accordance with records retention requirements. By not maintaining quarterly inspection reports, the TSVC program is unable to effectively identify, track, address, and follow up on issues and concerns identified during the inspections.

RECOMMENDATIONS FOR MANAGEMENT

The Texas State Veterans Cemeteries program should ensure that quarterly cemetery inspections are appropriately maintained in accordance with the agency Records Retention Schedule. Additionally, the TSVC program should ensure that the Cemetery Operating Manual is revised to include the appropriate method and period for retaining completed quarterly cemetery inspections.

MANAGEMENT'S RESPONSE

OSRs will provide inspection forms to the Chief OSR, who will then provide them to the TSVC SSO after review. TSVC SSO will store the documentation on the shared drive IAW document retention policy.

Implementation Date: August 25, 2023

Contact: TSVC Staff Services Officer

⁶ Interlocal Cooperation Agreements, Section 8.03, Inspection and Withholding of Operations Fees

⁷ GLO Records Retention Schedule

⁸ Tested inspections from each TSVC, resulted in:

- CBSVC: 2 of 4 (50%) sampled inspections were not maintained.
- RGVSV: 3 of 6 (50%) sampled inspections were not maintained.

APPENDIX

OBJECTIVE

To determine whether VLB Texas State Veterans Cemeteries (TSVC) program has effective processes and controls to ensure the TSVCs are operated in compliance with contractual requirements.

SCOPE & METHODOLOGY

The scope of the audit covered work performed during Coastal Bend State Veterans Cemetery's (SVC) period of fiscal year 2022 through fiscal year 2023 and Rio Grande Valley SVC's period of fiscal year 2021 through fiscal year 2023.

The methodology consisted of conducting site visits, observing processes, interviewing knowledgeable staff, collecting information, performing tests, and analyzing and evaluating the information. We reviewed our draft report with the appropriate management of the program area and solicited comments before issuing the final report.

The audit was conducted in accordance with *Government Auditing Standards and International Standards for the Professional Practice of Internal Auditing*. 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 objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

DISTRIBUTION LIST

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