COMMISSION MEETING

September 28,2007

Texas Alcoholic Beverage Commission
5806 Mesa Drive
Austin, Texas 78731

John T. Steen, Jr., Chairman
San Antonio

Gail Madden, Member
Dallas

Jose Cuevas, Jr., Member
Midland

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AGENDA

REGULAR COMMISSION MEETING

10:30 a.m. − September 28,2007

5806 Mesa Drive
Austin, Texas 78731

Alan Steen
Administrator

TEXAS ALCOHOLIC BEVERAGE COMMISSION
5806 Mesa Drive, Suite 185
Austin, Texas 78731

John T. Steen, Jr.
Charrnian-San Antonio

Gail Madden
Member-Dallas

José Cuevas, Jr.
Member-Midland

Friday, September 28,2007
10:30 a.m.

AGENDA

1. Call to Order		John T. Steen, Jr.
2. Approval of Commission Meeting Minutes of August 24, 2007		John T. Steen, Jr.
3. Administrator's Report: Administrator and Agency Activities, Budget Issues, Staff Achievements		Alan Steen
4. Approval of Internal Audit of Information Resources Division		Russell Gregorczyk
5. Network Upgrade Update		Sherry Cook
6. Summer Conference Update		Loretta Doty
7. Public Comment		John T. Steen, Jr.
8. Executive Session to Consult with Legal Counsel Regarding Pending and Anticipated Litigation Against the Agency and Personnel Investigations and to Discuss the Duties, Responsibilities, and Evaluation of the Administrator (Govt. Code 5551.071, $551.074)		John T. Steen, Jr.
9. Next Meeting: Friday, October 26, 2007		John T. Steen, Jr.
10. Adjourn		John T. Steen, Jr.

Note: - Items may not necessarily be considered in the order they appear on the agenda.
- Executive session for advice of Counsel (pursuant to §551.071 of the Government Code) may be called regarding any agenda item.
- Action may be taken on any agenda item.

NOTICE OF ASSISTANCE AT PUBLIC MEETINGS

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services (such as interpreters for persons who are deaf, hearing impaired readers, large print, or Braille) are requested to contact Renee Johnston at (512) 206-3217 (voice) (512) 206-3203 (fax), or (512) 206-3270 (TDD), at least three (3) days prior to the meeting so that appropriate arrangements can be made.

MINUTES

REGULAR COMMISSION MEETING

10:30 a.m. – September 28,2007

5806 Mesa Drive
Austin, Texas 78731

COMMISSION MEETING MINUTES

September 28,2007

The Commissioners of the Texas Alcoholic Beverage Commission (TABC) met in Regular Session on Friday, September 28, 2007, at the Texas Alcoholic Beverage Commission, 5806 Mesa Drive, Suite 185, Austin, Texas.

PRESIDING OFFICER: John ***T.*** Steen, Jr

COMMISSIONERS PRESENT: Gail Madden
Jose Cuevas, Jr.

STAFF PRESENT: Alan Steen, Administrator

Carolyn Beck, Public Information Officer, Executive
Lou Bright, General Counsel, Legal
Sherry Cook, Director of Information Resources
Deborah Dixon, Director of Education and Prevention
Jeannene Fox, Assistant Administrator
Bobby Gideon, Captain, Office of Professional Responsibility, Executive
Diana Gonzalez, Assistant Director of Compliance
Russell Gregorczyk, TABC Contracted Internal Auditor
Amy Harrison, Director of Licensing
Joe lagnemmo, System Support Specialist, Information Resources
Linda Jackson, Administrative Assistant, Executive
Renee Johnston, Executive Assistant, Executive
Dexter Jones, Marketing Practices Coordinator, Executive
Charlie Kerr, Director of Business Services
Paul King, Telecommunications Specialist, Information Resources

Jennifer Micallef, Training Specialist, Human Resources
Jay Webster, Systems Analyst, Information Resources

GUESTS PRESENT:

Doug DuBois, Director of Government Affairs, Texas Petroleum Marketers and Convenience Store Association
M. L. Calcote, Republic Beverage
Steve Koebele, Attorney
Fred Marosko, Texas Package Stores Association
Alfonso Royal, Budget Analyst, Office of the Governor
Don Walden, Attorney, TWGGA
Randy Yarbrough, Wholesale Beer Distributors of Texas

CALL TO ORDER

Presiding Officer and Chairman John T. Steen, Jr., called the meeting of the Texas Alcoholic Beverage Commission to order.

APPROVAL OF COMMISSION MEETING MINUTES OF AUGUST 24,2007

Chairman Steen called for approval of the Commission meeting minutes of August 24,2007. Commissioner Gail Madden so moved, and Commissioner Jose Cuevas seconded. The motion carried.

ADMINISTRATOR'S REPORT

Chairman Steen called upon Administrator Alan Steen to provide the Administrator's report on Administrator and agency activities, budget issues, and staff achievements. Administrator Steen reported the following:

Administrator Steen introduced Captain Bobby Gideon, new Director of the Office of Professional Responsibility, who came from the Department of Public Safety. The Commissioners welcomed Captain Gideon.

Auditor Noe DeLaGarza has been selected as the new Assistant Compliance Supervisor for the San Antonio Region.

- Administrator Steen and Chief Joel Moreno were invited to attend and speak at the first general membership meeting of the TABC Officers' Association (TABCOA) in Austin. Commissioner Cuevas asked for more information about the TABCOA. Administrator Steen explained that it is a voluntary 501(c)(3)-certified organization, similar to the Department of Public Safety Officers'

Association. He stated that TABCOA and the agency have a very positive relationship.

- The annual Summer Conference was held in Austin from September 10 through September 12. Following the end of the conference, a meeting was held with the industry members to review the changes to the Alcoholic Beverage Code. Administrator Steen noted that approximately 52 industry members from around the United States had attended. Both the Summer Conference and the industry meeting were well received. Jennifer Micallef, standing in for Human Resources Director Loretta Doty, would provide a report on the Summer Conference later in the agenda.
- Administrator Steen presented at an annual meeting with Glazer's in Dallas. He presented on the agency's public safety initiatives and regulatory function. There was much interest concerning the agency's Sunset Bill.
- Two press conferences on underage drinking were held in the Valley. Also, there were two open houses—one in Brownsville and one in McAllen—as part of the underage drinking initiative. Both the press conferences and open houses were very successful.
- Administrator Steen was pleased to announce that Human Resources Director Loretta Doty had been selected as the co-chair of the Texas State Human Resources Association for this upcoming year. This is a high honor for Ms. Doty as well as the agency.
- The Survey of Organizational Excellence is in process. Last year, the agency had a 79% participation rate in the survey, and this year, the agency is pushing for a 97% participation rate. Administrator Steen explained that the survey is a tool the agency uses to help set its direction. Chairman Steen asked how the participation rate could be improved. Administrator Steen responded that his office promotes the survey and sends out various reminders. Also, it is emphasized that the responses are anonymous and go directly to the University of Texas at Austin for compiling. Commissioner Cuevas asked how the information sets the tone or strategy for the agency. Administrator Steen responded that the information provides a barometer of such things as staff attitudes toward their work, benefits, and work environment and how well the agency communicates. The survey helps the agency plan and lets staff know that their input is heard and utilized.
- The Headquarters (HQ) Health and Safety Committee has put together a Weight Watchers group. Administrator Steen stated that he had joined, and he was very pleased to announce that there was a group weight loss of nearly 150 pounds in just the first two weeks. He has promised a jacket to each person who attains his or her personal weight loss goal. Commissioner Madden asked about the involvement of agents in the program, in light of the future physical standards. Administrator Steen stated that there are several agents in the field who are already involved in such programs. Administrator Steen explained that his motivation for telling the Commissioners about the HQ Weight Watchers program was to get it into the record for others to see

and to encourage others to get involved in something to attain and maintain fitness.

At the conclusion of Administrator Steen's report, Commissioner Cuevas asked the status of the Hooters of Arlington application. Administrator Steen responded that the request for proposal was with Assistant Administrator Jeannene Fox and that it would be released in the very near future.

APPROVAL OF INTERNAL AUDIT OF INFORMATION RESOURCES DIVISION

Chairman Steen called upon Russell Gregorczyk, TABC's contracted Internal Auditor.

Mr. Gregorczyk reviewed in detail the internal audit report of the Information Resources Division (Attachment 1). Mr. Gregorczyk explained that the audit is required under the Internal Audit Act and is required every three to four years. He stated that there were a number of changes that occurred since an audit was conducted the first time.

Mr. Gregorczyk reviewed each audit objective:

Audit Objective 1: Determine if the Information Resources Division (IRD) is in compliance with all statutory requirements for all state agencies regarding information resources management.

Mr. Gregorczyk stated that generally, IRD is in compliance with all significant requirements in statute and in the Department of Information Resources (DIR) administrative rules. There were three areas listed where IRD was not yet fully in compliance:

- State agencies are now required to make their websites accessible to Spanish-speaking persons. TABC has not yet gotten to that point. Chairman Steen asked why this had not been accomplished and what TABC was doing in order to get it accomplished. Administrator Steen explained that the priority in FY 2006 and 2007 was with the agency's IR transformation. Until it could be certain that the agency could meet its performance measures (such as issuing licenses within 14 days), the website had to take a lower priority at that time. However, the website can now be made a high priority, and Administrator Steen stated his belief that the agency had the bilingual resources in place do accomplish this.
- All system identification/logon banners must have a warning statement regarding unauthorized use. Mr. Gregorczyk stated that this has already been implemented since the report was issued.
- There are some security-related DIR administrative rules where TABC has not fully documented the actions necessary to indicate compliance with the rules.

Audit Objective 2: Determine if IRD has implemented adequate security measures and effective procedures for the security of automation information resources, including physical security, access controls, and network security.

Mr. Gregorczyk reported that IRD had generally implemented adequate security measures and effective procedures for the security of automated information resources. One recommendation was for TABC to look into an intrusion detection system, which is software that would provide notification if someone was trying to "hack" into the agency's systems. He stated that TABC has adopted and issued all recommended DIR security policies; however, there are DIR requirements related to information resources security where TABC has not fully documented compliance with the DIR administrative rules. Commissioner Cuevas asked about the cost of intrusion software. Sherry Cook, IRD Director, stated that the cost varies greatly as there are different types and levels of intrusion software that would need to be evaluated.

Audit Objective 3: Determine if IRD has implemented adequate internal controls and effective procedures over computer operations, including procedures for back up and recovery, disaster recovery planning, database administration, data communications, and other computer operation functions.

Mr. Gregorczyk reported that IRD has implemented adequate internal controls and effective procedures over the agency's computer operations, and there were no recommendations for this audit objective.

Audit Objective **4:** Determine if IRD has implemented adequate internal controls and effective procedures for managing use of the Internet and Intranet and maintain the agency website.

Mr. Gregorczyk stated that IRD has good procedures in these areas. He recommended that the Internet Services Procedures Manual be updated, however, to address current practices, staff responsibilities for maintaining the webpage, and address DIR administrative rules related to website accessibility.

Audit Objective 5: Determine if IRD has implemented adequate internal controls and is following an effective software development life cycle methodology for the design, development, and maintenance of automated information system projects.

Mr. Gregorczyk briefly reviewed the recommendations:

- Before TABC undertakes any in-house application development projects, a software development life cycle (SDLC) should be developed with a level of detail sufficient for project team members to understand, follow, and document all critical steps in the development process.

- IRD should formalize the division's information technology contract management procedures. This procedure would not replace the Business Services Division contract management procedure, but would provide more specific guidance and tools for managing IT projects.

Audit Objective 6: Determine if there are adequate internal controls and effective procedures to ensure that all hardware and software acquisitions are compatible with existing systems, approved by IRD and in accordance with a documented computer replacement cycle.

Mr. Gregorczyk discussed the recommendation that the PC Life Cycle Plan should be updated to include a cost-benefit analysis of the costs of leasing versus purchasing computer equipment and should incorporate DIR guidelines.

Audit Objective 7: Determine if IRD has implemented adequate internal controls and effective procedures for managing software licenses and for ensuring that all software is used in accordance with the software license agreements.

Mr. Gregorczyk stated that IRD has adequate internal controls and effective procedures for this audit objective; therefore, there were no recommendations for Audit Objective 7.

Audit Objective 8: Determine if IRD has developed effective processes for meeting the needs of the users of the agency's automated information resources.

Mr. Gregorczyk explained that an IRD customer satisfaction survey was conducted as part of the internal audit. The anonymous survey was conducted via the agency's e-mail system. The results of the survey were included in the appendix of the audit. Mr. Gregorczyk recommended that IRD conduct a periodic survey to gauge customer service satisfaction.

Audit Objective 9: Determine if IRD has established effective processes for budget management, contract management, information resources procurements, and administrative support.

Mr. Gregorczyk stated that there were no issues concerning the administrative processes within the IRD area.

Audit Objective 10: Determine if TABC and IRD have developed effective processes for considering, approving, prioritizing, managing, and reporting on automation projects.

Mr. Gregorczyk reported that there are good procedures in place; therefore, there were no recommendations for this audit objective.

Mr. Gregorczyk stated that management agreed with the recommendations of the internal audit and asked the Commissioners if they had any questions.

Commissioner Cuevas asked about the comment from the survey stating that the system was too slow, particularly in the afternoon. He asked what was being done about slowness of the system. Administrator Steen stated that he and Ms. Cook had looked into this problem carefully and found the money for the upgrades needed to eliminate the problem. Staff are in the process of putting those upgrades in place, and Administrator Steen assured the Commissioners that the upgrades will help immensely with the speed of the system. Mr. Steen stated that Ms. Cook would review the network upgrades with them next on the agenda.

Commissioner Cuevas noted the following comment: "When there is a seizure of alcohol, we store that alcohol in a liquor room until there is a disposition in court. The system allows dispositions, but they are never entered. If an agent does enter a disposition for a case, the auditor does not get an update. So the system does not take into account the real day-to-day workings of the employees. The liquor rooms are overflowing with seizures."

Administrator Steen recognized that the evidence was being held too long, and there is limited space for maintaining the evidence as well. He stated that the agency was working on the implementation of baseline new technology utilizing bar coding technology that will make the system for seizures efficient and complete.

Commissioner Cuevas read another comment: "Somewhat unrelated, but it would be helpful to have wireless connections when on the road. IRD has resisted this request due to security reasons. I'm sure there is a way to do it without compromising the TABC network."

Administrator Steen explained that the agency purchased six wireless computers to test in different parts of the state. Currently, the agency's computers are leased at approximately $2,000 each. The wireless computers cost around $4,000. The agency will be testing these six wireless computers to determine the benefit to the agency and taxpayers. Once the benefit is determined, then the agency can take that information to the Legislature. Administrator Steen also noted that there may not be a need for wireless technology for all of the agents in the state; rather, this technology may only be needed in certain areas where a good infrastructure already exists.

Commissioner Cuevas asked about the statement that IRD is resisting wireless technology because of security reasons. Administrator Steen stated that he believed that was a misunderstanding, as there currently is wireless technology that will be tested. Commissioner Cuevas asked if the current technology is safer

today because of encryption and other security features. Ms. Cook responded that there are already security features in place that would secure the laptops in the field while still protecting the network. She explained that part of the upgrading of the network that the agency will undergo would be able to offer such technology services to the field. She added that the six wireless computers would be biometrically equipped with a thumbprint security feature.

Chairman Steen referred to the 79% employee response rate to the Organizational Survey of Excellence and the 19.5% employee response rate to the IRD customer satisfaction survey. He stated that satisfaction surveys are a great way to obtain information, and he was disappointed that less than 20% of the people responded to the IRD survey. He was concerned that when less than 20% of staff respond, then management may not be getting the true picture. He wondered whether the surveys could be mandatory or given in such a way that staff knew they were expected to respond to them.

Commissioner Cuevas wanted to point out that we all do a thousand things right each day and we don't praise and commend all the people who do a lot of things right each day. Although he was focusing on a few issues from the survey, he stated it was important to raise these issues so that staff in the field know that the Commission takes their input seriously. Therefore, perhaps the response rate will be much greater once staff realize that there is true discussion on their input and understand that their input is being used for long-range planning.

Commissioner Madden added that by knowing that management is interested in staffs input, this gives an incentive for people to respond to the surveys and to respond in a manner truly reflecting of feelings, rather than a mandatory response. Commissioner Cuevas agreed, stating that staff may feel more intimidated if they think their name may be known. Administrator Steen stated that staff would look into incentives and other creative ways to raise the response rate to the surveys.

Commissioner Cuevas read another comment: "When I have an emergency or need a quick answer to a question and I call the Help Desk, my question is usually followed by 'I don't know but I'll have to ask someone and they will get back to you.'" Ms. Cook responded that it would depend on the nature of the question. She stated that IRD uses a trouble ticket system with the Help Desk in which the trouble tickets are logged. The log is reviewed to see how many calls are being resolved during the first call and then how many are sent to the second level. Those that are sent to the second and third levels are then reviewed to see if they could have been resolved at the first level. If so, then it is analyzed to determine if it was a training issue, a personnel issue, or some other issue. Also, when the ticket is closed, a short survey is sent to the caller to rate the service provided.

Commissioner Cuevas read the comment: "For the longest time with this agency, any changes that come about are either self-taught or the training provided is insufficient." Administrator Steen reported that in the last three years, the level of training provided to employees has doubled, and that he planned to double that again. In the last few years, there has been a great deal of computer training offered, and a tremendous amount of travel money has been spent to bring in field staff for training at Headquarters and for trainers to go out in the field. He explained that he was not discounting the comment at all, but wanted to emphasize that the agency continues to work towards strong training. Ms. Cook added that the agency used a "train the trainer" approach in training staff for the ART (Agency Reporting and Tracking) system. Key people were brought in from all over the state that covered both Enforcement and Compliance—the two largest divisions in the field—and trained them to be trainers in their area offices.

Commissioner Cuevas emphasized that staff have been doing a fabulous job, and he was very pleased with the work that has been done. He commended staff for doing so much in such a short time. Commissioner Madden concurred stating that he spoke for all of the Commissioners.

Chairman Steen called for a motion to approve the internal audit of the Information Resources Division. Commissioner Cuevas so moved, and Commissioner Madden seconded. The motion carried.

NETWORK UPGRADE UPDATE

Chairman Steen called upon Sherry Cook, IRD Director, to provide an update on the network upgrade.

Ms. Cook stated that this was an exciting time for the agency, based on technological changes the agency was about to undertake. With the significant upgrade to be made on the network, the agency will be in a position to move forward with technological advances, such as remote connectivity and bar-coding type devices. Ms. Cook introduced Paul King, Telecommunications Specialist in IRD, to review the technical aspects of the network upgrade.

Mr. King reviewed the current network consisting of three different networks, and the future network, which will be one flat network (Attachment 2). Ms. Cook discussed the many benefits associated with the upgrade, such as higher speed, improved security, and cost savings. Replacing three networks with one with newer technology will save over $1,500 a month. The upgrade will provide increased bandwidth with a single point of contact for maintenance, support, and repairs.

Commissioner Cuevas asked if agents with wireless laptops would be able to directly send the data into the network from their laptops or if they would need to

return to the office. Ms. Cook stated that the laptops will be equipped with wireless and the agents would connect to the network through their authorized service provider (AT&T) using a secured VPN tunnel. She stated that to start out, the agency would use encryption using the public network. To take this to the next level statewide, the agency would probably utilize a direct connection through a private network carrier, also through AT&T.

At the conclusion of Ms. Cook's and Mr. King's presentation, Chairman Steen read a comment from the IRD satisfaction survey, which summarized his sentiments: "Overall, since Mrs. Cook has taken over that area, the customer service and quality of work has grown and improved by leaps and bounds. Keep up the improvements. Thank you."

SUMMER CONFERENCE UPDATE

Chairman Steen called upon Jennifer Micallef, Training Specialist, of the Human Resources Division.

Ms. Micallef provided a brief summary of the 2007 Summer Conference (Attachment 3):

- The State Employee Charitable Campaign (SECC) was kicked off at the conference. Small incentives were offered to encourage individuals to participate in the SECC.
- A humorous and insightful presentation was made by David Stein, the President of Steinway Professional Development Consulting. The training presentation, which was on how to make successful presentations, was very well received.
- The Education and Prevention Division provided an update on their grants and program activities.
- A legislative update was provided at the conference and also was provided to industry members in a separate meeting.
- IRD coordinated a Technology Showcase, consisting of vendors that displayed their technology and talked one-on-one with staff about various technologies. IRD also provided demonstration work during the Showcase.
- Change management training was conducted by Dr. Roy Steele, from St. Edward's University, on the last day of the conference. Ms. Micallef explained that Dr. Steele "normalized" the growth and development of change, and highlighted how organizational change is the pathway to success. The training focused not on solutions; rather, it focused on the process of dealing with change. The training was very well received.
- There were also divisional breakout sessions. Ms. Micallef stated that from a communications standpoint, she felt that the breakout sessions were a great use of staff time. It provided staff the opportunity to interact with their peers, discuss problems, and find workable solutions. She added that the entire conference itself was a great venue for that kind of dialogue.

- There were also team-building exercises throughout the day which served as crowd energizers. These exercises helped people stay engaged, interact with each other, and created a fun and positive atmosphere. Ms. Micallef stated that the inclusive lunches during the conference also helped further the sense of community among the participants.
- Divisions were involved in an expo, where they manned booths and interacted with staff on their services. Ms. Micallef stated that this helped develop stronger working relationships with Headquarters and the field.
- At the end of the conference, Administrator Steen provided closing comments, which wrapped up a successful conference.

Ms. Micallef discussed the evaluations and feedback from the conference. She stated that from what she has seen, TABC treats evaluations very seriously. She was pleased to report that the evaluations were overall rated very good. She saw words such as "renewal," "community," and "feeling refreshed" in the evaluations. It was clear to her that the conference was beneficial to the participants and allowed a great networking opportunity between the field and Headquarters. From a professional development standpoint, Ms. Micallef thought that the conference was very effective.

With regard to the change management training, Commissioner Cuevas asked what it meant that the agency was mirroring change that the business world was experiencing. Ms. Micallef responded that much of what is currently happening in the United States involves generational changes. The baby boomers are aging and beginning to retire. The number of new workers coming into the workforce is decreasing. It is being predicted, therefore, that there will be a "drought" in the workforce over the next 10 to 15 years.

Commissioner Cuevas noted the difference in the generations, also. It used to be that people would find a job and then make their lifestyle fit into the job; whereas now, the younger individuals are looking for a job that fits their lifestyles. Ms. Micallef concurred. She added that the notion of tenure is also changing. The average tenure in a position for a younger person may be only a few years, whereas older workers had tenure of 15 to 30 years. It is up to the organization to determine how to maximize the younger workforce's talent in a shorter amount of time. She cited what Administrator Steen had said in his closing comments at the conference in that as long as the agency acts proactively towards these workforce changes, then the agency will be fine and will move forward just as it has for the last 70 years.

Commissioner Cuevas asked how the legislative changes training went. General Counsel Lou Bright stated that staff did an adequate job; however, staff did not have as much time to prepare for the conference and industry meeting, as they would have liked. However, Mr. Bright stated that he would be traveling across

the state during the month of October to do more face-to-face interactions with staff regarding the legislative changes.

Commissioner Madden asked Mr. Bright to be sure that the Commissioners are kept in the loop with regard to the statutory changes. He agreed to assist in any way he could.

The Commissioners thanked Ms. Micallef for her enthusiasm and professionalism in her report.

PUBLIC COMMENT

As no one registered or expressed a desire to provide public comment, Chairman Steen began the announcement for the executive session.

EXECUTIVE SESSION

Chairman Steen made the announcement that the regular open session of the Texas Alcoholic Beverage Commission would be recessed, the time being 11:56 a.m., September 28, 2007, and an executive session would be held to consult with Legal Counsel regarding pending and anticipated litigation against the agency and personnel investigations and to discuss the duties, responsibilities, and evaluation of the Administrator, pursuant to Texas Government Code, §§551.071 and 551.074.

Chairman Steen announced that the Texas Alcoholic Beverage Commission had concluded its executive session and was in open session, the date being September 28, 2007, and the time, 1:00 p.m. No final action, decision, or vote was made in the executive session.

NEXT MEETING

Chairman Steen announced the next meeting scheduled for Friday, October 26, 2007.

ADJOURNMENT

Chairman Steen called for a motion to adjourn. Commissioner Cuevas so moved, and Commissioner Madden seconded. The motion carried, and Chairman Steen announced that the meeting was adjourned.

Attachment 1

Internal Audit of
Information Resources Division

Texas Alcoholic Beverage Commission
Internal Audit of the Information Resources Division

Final Draft Report

September 17,2007

As Prepared by
Jansen & Gregorczyk
Certified Public Accountants

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Appendix 1: Results of Survey of TABC Employees Regarding Information Resources Questions and Services. 17

Jansen & Gregorczyk
Certified Public Accountants

Telephone
(512) 268-0070

P. O. Box 601
Kyle, Tx. 78640

September 17,2007

Commission Members
Texas Alcoholic Beverage Commission

The following report provides the results and recommendations noted during the internal audit of the Information Resources Division.

The internal audit was conducted in accordance with generally accepted government auditing standards and *Standards for the Professional Practice of Internal Auditing*, published by the Institute of Internal Auditors.

Signed Copy on File

Jansen & Gregorczyk
Certified Public Accountants

EXECUTIVE SUMMARY

Audit Purpose

The internal audit of the Information Resources (IR) Division was conducted to determine:

- compliance with statutory requirements for information resources management;
- the adequacy of controls and procedures for managing information resources; and
- the effectiveness of IR policies and procedures for meeting user needs.

Key Audit Observations

- The TABC and the IR Division are in substantial compliance with information resources laws and administrative rules.
- State agencies are required to make a reasonable effort to ensure that Spanish-speaking persons of limited English proficiency can meaningfully access state agency information online. TABC has not met this requirement.
- Security policies have been adopted to comply with DIR recommendations; however, there are some DIR administrative rules where TABC has not fully documented the actions necessary to comply with the rules related to information resources security.
- The IR Division has implemented adequate internal controls and effective procedures over computer operations, including procedures for back-up and recovery, disaster recovery planning, database administration, data communications and other computer operations functions.
- The Information Resources Division has implemented adequate internal controls and effective procedures for managing use of the Internet and Intranet and maintaining the agency web site.
- There are adequate internal controls and effective procedures to ensure that all hardware and software acquisitions are in accordance with the documented computer replacement cycle; however, the computer replacement life cycle plan is outdated.
- The IR Division has implemented adequate internal controls and procedures for managing software licenses and for ensuring that all software is used in accordance with the software license agreements.
- The IRD has developed effective processes for meeting the needs of end-user divisions regarding the agency's automated information resources.

- TABC and the IR Division have developed effective processes for considering, approving, prioritizing, managing and reporting on automation projects.
- IRD has done a good job in developing operating policies and procedures related to virtually all aspects of computer operations.
- The Information Resources Division staff members appear to be adequately cross-trained to perform all essential functions necessary to carry out division's responsibilities.

Significant Recommendations

- The IR Division should address the requirement to ensure that Spanish-speaking persons of limited English proficiency can meaningfully access state agency information online.
- The IR Division Director should take the actions necessary to bring TABC into compliance with all DIR administrative rules by conducting an annual independent review of compliance with DIR security standards, preparing and updating a security risk analysis and security risk management plan, and conducting and documenting an annual review of physical security measures as part of the security risk analysis.
- The IR Division should consider the use of intrusion detection software to enhance network security.
- Before TABC undertakes any in-house application development projects, a SDLC methodology should be developed with a level of detail sufficient for project team members to understand, follow and document all critical steps in the development process. The Texas Project Delivery Framework may be useful in developing this SDLC, but the actual methodology should be tailored for use by the IRD.
- IRD should formalize the division's information technology contract management procedures that can be used to ensure appropriate management of all information technology project contracts.
- The PC Life Cycle Plan should be updated to include a cost-benefit analysis of the costs of leasing versus purchasing computer equipment and should incorporate the guidelines issued by DIR in January 2003.
- IRD should update the Internet Services Procedures Manual to address current practices, staff responsibilities for maintaining the agency webpage and issues such as the DIR administrative rules related to website accessibility.

- IRD should conduct periodic customer satisfaction surveys to ensure it continues to meet the needs and expectations of user divisions and staff.

Management's Response

Management concurs with all recommendations made in the report. Actions to be taken by management and the timelines for completion are indicated in the management response to each recommendation.

AUDIT PURPOSE AND SCOPE

The primary purposes of the internal audit of the Information Resources Division were to determine if:

- the TABC is in compliance with all statutory and Department of Information Resources (DIR) requirements for state agencies regarding information resources management;
- there are adequate controls and effective operating procedures for managing automated information resources; and
- there are effective processes and procedures for meeting the needs of IR users.

The scope of the audit included review, analysis, and/or testing of the following areas:

- IR plans and reports;
- IR security measures;
- IR computer operations;
- IR operating policies and procedures;
- IR automated systems; and
- IR users.

Specific audit objectives were developed and coordinated with TABC management. These audit objectives and the results of our audit work are presented in the next section, "Audit Results and Recommendations."

AUDIT RESULTS AND RECOMMENDATIONS

The results and recommendations of the internal audit are presented in this section for each of the twelve audit objectives that were established and coordinated with TABC management.

Audit Objective 1: *Determine if the Information Resources Division is in compliance with all statutory requirements for state agencies regarding information resources management.*

There are two primary sources of requirements regarding information resources management, the Information Resources Management Act (IRMA) and Department of Information Resources (DIR) administrative rules. Audit review of key compliance requirements in these laws and administrative rules indicates that the TABC and the Information Resources Division are in substantial compliance with information resources laws and administrative rules. There are several DIR administrative rules where TABC is not compliant or not fully compliant as follows:

- Each state agency shall make a reasonable effort to ensure that Spanish-speaking persons of limited English proficiency can meaningfully access state agency information online. The agency website is not accessible to Spanish-speaking persons of limited English proficiency, although several brochures available through the website are in Spanish.
- All system identification/logon banners must have a warning statement regarding unauthorized use, and stating that usage may be tested and monitored, misuse is subject to criminal prosecution, and there are no expectations of privacy other then those provided by applicable privacy laws. The TABC network logon banner does not contain this warning statement.
- There are some security-related DIR administrative rules where TABC has not fully documented the actions necessary to indicate compliance with the rules. This issue is discussed in detail in Audit Objective 2.

Recommendation 1: *The Information Resources Division should address the requirement to ensure that Spanish-speaking persons of limited English proficiency can meaningfully access state agency information online. If it is not feasible or cost effective to provide information in Spanish on the agency website, the reasons should be documented and the decision should be approved by the Administrator since this is a statutory requirement.*

TABC Management Response: IRD agrees with the recommendation. This effort will require agency-wide participation to review all materials available on the TABC website. Static information such as 'how to' instructions would be most easily presented in different languages and will require each division's involvement. Financial impact of how to meet this mandate for in-house developed applications that may someday be made available for public use should be considered. The TABC public inquiry system is the most widely used public application and IRD will rely on the Management Advisory Committee to prioritize enhancements to this application. There could be several phases to this task resulting in multiple completion dates. IRD will work to identify the impact of this recommendation for Executive review by February 2008.

Recommendation 2: *The required network logon banner warning should be developed and implemented.*

TABC Management Response: A logon banner has been developed and implemented. This recommendation has been completed.

Audit Objective 2: *Determine* ***if*** *the Information Resources Division has implemented adequate security measures and effective procedures for the security of automated information resources, includingphysical security, access controls and network security.*

TABC IRD has generally implemented adequate security measures and effective procedures for the security of automated information resources, including physical security, access controls and network security, although network security could be enhanced by the use of intrusion detection software. Security policies have been adopted to comply with DIR recommendations; however, there are some DIR administrative rules where TABC has not fully documented the actions necessary to comply with the rules related to information resources security.

Physical security controls include access-card entry only to the Information Resources Division area, with the servers located in a locked room. The server room has appropriate environmental controls, and an uninterruptible power supply system (UPS).

Appropriate access controls and network security measures have been established to ensure that TABC automated systems are secure. Various automated logs are

maintained by staff and monitored by the Information Security Officer to monitor network security and related issues. The IRD has a penetration test performed annually through the DIR to identify and correct any network security vulnerability that may be found during the penetration test. This is an excellent control designed to test for security vulnerability. A penetration test for FY 2007 has been performed, but the final results have not been made available. The FY 2006 penetration test indicated 10 areas of vulnerability, each of which has been addressed by the IRD. One area where network security controls could be strengthened is through the use of intrusion detection software. According to DIR, intrusion detection software provides two important functions in protecting information system assets. The first function is that of a feedback mechanism which informs the security staff as to the effectiveness of other components of the security system. The lack of detected intrusions can be an indication that the perimeter defenses are working in a robust and an effective intrusion detection system is in place. The second function is to provide a trigger or gating mechanism that determines when to activate planned responses to an incident.

TABC has adopted and issued all recommended DIR security policies as the TABC IR Security Policies; however, there are several DIR requirements related to information resources security where TABC has not fully documented compliance with the DIR administrative rules. TAC Rule 202.21 requires a review to be performed at least annually of the state agency's information security program for compliance with TAC Rule 202 standards by an individual independent of the information security program and designated by the state agency head or his designated representative. Annual reviews of the security program are not performed and documented by an individual independent of the information security program. TABC is not in compliance with this requirement, although the IR internal audit will serve as the independent review to satisfy TAC Rule 202.21 for this year.

TAC Rule 202.22 requires each agency to perform and document a security risk analysis. The security risk analysis shall be updated based on the inherent risk. The inherent risk and frequency of the security risk analysis will be ranked as high, medium or low based on criteria set forth in the rule. Although TABC has an annual penetration test performed by DIR, this test alone does not

constitute a security risk analysis that meets the TAC rule requirements.

TAC Rule 202.22 also requires the state agency head or his designated representative to approve the security risk management plan. The security risk management plan should be a document addressing the risks identified in the security risk analysis. TABC does not have a documented security risk management plan approved by the Administrator or the IR Division Director.

TAC Rule 202.23 requires an annual review of physical security measures for information resources by the agency head or designated representative. A report documenting the results of the review of physical security measures is not prepared and submitted to the Administrator or his designated representative. This review needs to be performed and documented as part of the security risk analysis.

Recommendation 3: *The IR Division should consider the use of intrusion detection software to enhance network security.*

TABC Management Response: IRD agrees with the recommendation and will research the cost of implementation and support of this type of software product after it has been determined this is not a function for the Team for Texas (IBM). A response or proposal will be presented by March 2008.

Recommendation 4: *The IR Division Director should take the actions necessary to bring TABC into compliance with all DIR administrative rules by conducting an annual independent review of compliance with DIR security standards, preparing and updating a security risk analysis and security risk management plan, and conducting and documenting an annual review of physical security measures as part of the security risk analysis.*

TABC Management Response:
IRD agrees with the recommendation to conduct an independent review of compliance with DIR security standards. The review will be conducted annually by the IRD Director and reported to the Administrator. IRD will also prepare a security risk analysis (including an annual review of physical security measures) and risk management plan by March 1,2008.

Audit Objective 3: *Determine if the Information Resources Division has implemented adequate internal controls and effective procedures over computer operations, including procedures for back-up and recovery, disaster recovery planning, database administration, data communications and other computer operations functions.*

The Information Resources Division has implemented adequate internal controls and effective procedures over computer operations, including procedures for back-up and recovery, disaster recovery planning, database administration, data communications and other computer operations functions.

The TABC disaster recovery plan *(Business Resumption Plan)* was reviewed and determined to be complete, with all recovery issues adequately addressed. TABC has adequate backup and recovery processes in place to support this plan. Testing of the *Business Resumption Plan* is performed annually and test results are documented.

TABC computer operations are in transition to the Team4Texas (IBM) project. Most of these procedures are either transitioned to Team4Texas or in the process of being transitioned. There are some transition issues that need to resolved, but these issues are being addressed at this time between TABC and Team4Texas.

TABC has *Data Center Operations Manual* that documents all critical tasks that must be performed by the Information Resources Division staff related to computer operations. This manual was based on the DIR guidelines for data center operations and is available online for all IRD employees.

Recommendations: *None.*

Audit Objective 4: *Determine if the Information Resources Division has implemented adequate internal controls and effective procedures for managing use of the Internet and Intranet and maintaining the agency web site.*

The Information Resources Division has implemented adequate internal controls and effective procedures for managing use of the Internet and Intranet and maintaining the agency web site.

Observation of the agency's Intranet found it provides links to agency manuals and policies, health and safety issues, training information, the HQ phone directory, the employee directory, the agency's e-mail system, and the IRD Helpdesk, as well as other helpful links. Observation of the

Internet website found it can be easily used to find information about the agency. Dropdown lists under each heading category provide easy assess to relevant sections within the agency. The website meets all current accessibility standards and meta tag standards for searches of documents posted on the website.

The agency has an excellent and comprehensive policy on Use of IT Resources (HR-3.05) that appears to address all DIR guidelines on Acceptable Use of the Internet, E-Mail, Instant Messaging and Peer-to-Peer File Sharing even though the TABC HR policy was issued several months before the DIR guidelines were issued in July 2006. Each employee is required to sign a document to acknowledge receipt and acceptance of the HR policy on Use of IT Resources.

IRD has an Internet Services Procedures Manual that provides an Internet overview, topology, the hardware design, internet services used, software information, and other relative information; however, the manual was developed in 2001 and it needs to be updated to address current practices, staff responsibilities and issues such as the DIR administrative rules related to website accessibility.

Recommendation 5: *IRD should update the Internet Services Procedures Manual to address current practices, staff responsibilities for maintaining the agency webpage and issues such as the DIR administrative rules related to website accessibility. The manual should also address the maintenance of the Intranet.*

TABC Management Response: IRD agrees with the recommendation. The Internet Services Manual will be updated by March 2008, and will adhere to the guidelines outlined by DIR and ADA requirements.

Audit Objective 5: *Determine if the Information Resources Division has implemented adequate internal controls and is following an effective software development life cycle methodology for the design, development and maintenance of automated information systems projects.*

The Information Resources Division does not have a viable software development life cycle (SDLC) methodology for the design, development and maintenance of automated information systems projects; however, the agency has used and is using components of the Texas Project Framework Delivery developed by the Department of Information Resources for some information technology projects (for

example in project planning for the Ports of Entry Tax Collection System). The Framework is intended for use with all types of information technology projects, including systems operations, telecommunications, and software development. It is therefore, not a specific type of SDLC methodology, but it can be used as a tool for software development.

TABC should continue to use the Texas Project Framework Delivery to help ensure that automation projects are effectively planned, developed and implemented, but if the agency undertakes any application development projects, a SDLC methodology needs to be developed and used. In addition, if TABC contracts with vendors for automation projects, the current Business Services Division contract management procedures guide needs to be supplemented with specific information technology contract management procedures and tools that can be used to ensure appropriate management of each information technology contract and project.

Recommendation 6: *Before TABC undertakes any in-house application development projects, a SDLC methodology should be developed with a level of detail sufficient for project team members to understand, follow and document all critical steps in the development process. The Texas Project Delivery Framework may be useful in developing this SDLC, but the actual methodology should be tailored for use by the IRD.*

TABC Management Response: IRD agrees with the recommendation. During the systems development of the new DARTs application, IRD will work with the contractor to define and document a formal SDLC, which will be completed by March, 2008.

Recommendation 7: *IRD should formalize the division's information technology contract management procedures that can be used to ensure appropriate management of all information technology project contracts. This procedure would not replace the Business Services Division contract management procedure, but would provide more specific guidance and tools for managing information technology projects.*

TABC Management Response: IRD agrees with the recommendation and will document IT contract management procedures as outlined by DIR (Project Delivery Framework), by March 2008.

Audit Objective 6: *Determine if there are adequate internal controls and effective procedures to ensure that all hardware and software acquisitions are compatible with existing systems, approved by the Information Resources Division and in accordance with a documented computer replacement cycle.*

There are adequate internal controls and effective procedures to ensure that all hardware and software acquisitions are compatible with existing systems, approved by the Information Resources Division and in accordance with the documented computer replacement cycle; however, the computer replacement life cycle plan is outdated.

The Appropriations Bill (Article IX, Section 9.04) requires agencies to perform a cost-benefit analysis of leasing versus purchasing information technology and develop a computer replacement schedule in accordance with Department of Information Resources' guidelines. The agency has developed a PC Life Cycle Plan that details when computers and other computer related equipment should be replaced. The plan was last revised in September 2002 and follows the guidelines established by DIR in 1998, but DIR issued supplemental guidelines in January 2003. The TABC PC Life Cycle Plan contains information that is outdated, it does not include a cost-benefit analysis of the costs of leasing versus purchasing computer equipment, and it was developed before the most recent DIR guidelines were issued.

Recommendation 8: *The PC Life Cycle Plan should be updated to include a cost-benefit analysis of the costs of leasing versus purchasing computer equipment and should incorporate the guidelines issued by DZR in January 2003.*

TABC Management Response: IRD agrees with the recommendation and will update the PC Life Cycle Plan to include a current cost-benefit analysis of leasing versus purchasing computer equipment. The plan will be updated by March, 2008.

Audit Objective 7: *Determine if the Information Resources Division has implemented adequate internal controls and effective procedures for managing software licenses and for ensuring that all software is used in accordance with the software license agreements.*

The Information Resources Division has implemented adequate internal controls and procedures for managing software licenses and for ensuring that all software is used in accordance with the software license agreements. TABC policy prohibits the use of

unauthorized software and computer users are not given administrative privileges to their desktop, which prohibits them from downloading or loading unauthorized software. New workstations are configured using a pre-approved image, which only contains agency approved software.

TABC uses a DIR approved vendor for all software purchases and this vendor tracks the TABC software purchase history and will generate reports upon request. IRD keeps all license agreements on file. IRD performs reconciliations on desktop software licenses as part of an annual 'true up' process, where the agency ensures that it has an adequate number of software licenses.

Recommendations: *None.*

Audit Objective 8: *Determine if the Information Resources Division has developed effective processes for meeting the needs of the users of the agency's automated information resources.*

The IRD has developed effective processes for meeting the needs of end-user divisions regarding the agency's automated information resources. The IRD Helpdesk acts as the first line of communication with user divisions for all computer system problems; whether system, hardware, or application. The Helpdesk is supported by staff capable of responding to most problems. However, additional support is obtained, as necessary, to ensure all identified problems are resolved in a timely and appropriate manner. The IRD conducts system training for end-users whenever new applications are developed. General computer training is conducted as part of the HR Training Academy schedule.

An IRD customer satisfaction survey was conducted as part of the internal audit. The survey was conducted via the agency's e-mail system and the results were provided to the IRD Director. Of the 652 employees receiving the survey, 127 responses were received, representing 19.5%. The overall rating for IRD was 7.8, with 1 being not satisfied at all and 10 being completely satisfied. Fifty-one percent of the respondents gave the IRD a rating of 9 or 10. When computer assistance is necessary, 86% of the respondents indicated that they received timely and appropriate help. Approximately 58% of the respondents stated they "did not have" or "were not sure" of the availability of systems manuals for the computer programs they use in their everyday jobs. Complete survey results are included in Appendix 1.

Recommendation 9: *The IRD should conduct periodic customer*

satisfaction surveys to ensure it continues to meet the needs and expectations of user divisions and staff. Results of the survey should be used to make any necessary changes to procedures and operations that would improve overall customer satisfaction.

TABC Management Response: IRD agrees with the recommendation. The IRD Help Desk has recently added an automated survey to the Altiris Incident tracking system. The survey is randomly sent to the user once an issue is marked as resolved. In addition, to the survey offered through Altiris, IRD plans on implementing an easy to use internet based survey tool for distributing customer satisfaction surveys. The new survey will be implemented by April 2008.

Audit Objective 9: *Determine if the Information Resources Division has established effective processes for budget management, contract management, information resources procurements and administrative support.*

The Information Resources Division has established effective processes for budget management, contract management, information resources procurements and related administrative support functions.

Recommendations: *None.*

Audit Objective 10: *Determine if TABC and the Information Resources Division have developed effective processes for considering, approving, prioritizing, managing and reporting on automation projects.*

TABC and the Information Resources Division have developed effective processes for considering, approving, prioritizing, managing and reporting on automation projects. All information technology projects are prioritized by the Management Advisory Committee (MAC) for inclusion in the *TABC Information Resources Strategic Plan.* All other automation projects are prioritized and approved by the Information Resources Manager, with assistance from the MAC when necessary. Project and budget status reports are created on a regular basis for all IRD projects. These reports are submitted to the IRM for review and consolidation into a report supplied to TABC executive management.

Recommendations: *None.*

Audit Objective 11: *Determine if the operating policies and procedures of the Information Resources Division are documented and up-to-date.*

IRD has done a good job in developing operating policies and procedures related to virtually all aspects of computer operations, including; IR security, Internet and E-mail services, data center operations, applications support, and business resumption. Most policies and procedures were found to be operationally current. As noted in other audit objectives, some policies need to be updated or developed.

Recommendations: *None.*

Audit Objective 12: *Determine if the Information Resources Division staff members are cross-trained to perform all essential functions to carry out division's responsibilities.*

The Information Resources Division staff members appear to be adequately cross-trained to perform all essential functions necessary to carry out division's responsibilities. **A** detailed schedule of "Critical Functions List by Employee Expertise" has been developed and recently updated. This document identifies all IRD functions, categorizes them as critical or not, indicates the person with primary responsibility, and identifies the first and second alternates for the function. Currently, there are some gaps in coverage of critical responsibilities as a result of a vacancy in the Information Security Officer position. The IR Director is trying to fill this key position, but is having difficulty finding qualified applicants willing to accept the current salary for the position. It may be necessary to reclassify this position to a higher salary grade in order to obtain a better applicant pool.

Recommendations: *None.*

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Appendix 1: Results of the Internal Audit Survey of TABC Employees Regarding Information Resources Questions and Services

A survey was developed and distributed to all agency employees via e-mail during the internal audit. The survey purpose was to determine employees' knowledge of information technology security policies and to determine their level of satisfaction with IRD services. One hundred twenty seven (127) survey responses were received. This represents approximately 19.5% of the current agency staff of 652. The following results were noted from the responses.

Survey Questions and Summary of Responses
1. Does the agency have a Computer System Security Policy? **125 responses.** 81% (102) of the respondents knew of the policy. 18% (23) didn't know whether there was a policy or not.
2. How frequently are you required to change your password? Note: The change to passwords for computer access is required every 90 days and is automatically generated by the system. **123 responses.** The vast majority (117 of 123 responding to the question) knew a password change was required, but only 66% (82) of the respondents knew the correct interval. 18% (22) thought it was monthly; 10% (13) didn't know how often change was required; and, the remainder *(6)* identified other timefrarnes.
3. Are you notified automatically by the computer system when your password requires changing? **126 responses.** 98 % (123) knew the change was automatic and generated by the system.
4. How much of the time during a regular workweek is your computer operating and available for to use? **125 responses.** 47 % (59) listed 100% availability. 45% (56) listed >90<100% availability. Only 8% (10) listed less than 90% availability.
5. Do you handle any confidential or high risk information ***as part*** *of your job?* **127 responses.** 82% (104) stated they did handle confidential information. Three respondents stated they did not know.
6. Do you have access to a User's Manual for the computer system application you use in your daily work? **126 responses.** 42% (53) answered they had access to a User's Manual. 31% (39) indicated they did not have access and 27% (34) didn't know.
7. Is the User's Manual up-to-date? *63* **responses.** 24 stated Yes, 9 stated No, and 30 stated they didn't know.

8. Is the User's Manual useful in conducting your daily work and answering questions you might have regarding the computer system application? *59* **responses.** 31 stated Yes, 14 stated No, and 14 stated they didn't know.
9. Do you feel there is a need for a User's Manual to assist you in your daily work? *86* **responses.** 40 stated Yes, 26 stated No, and 20 stated they weren't sure.
10. *If you have computer problems, whether system or application, do you receive timely and appropriate support from the Information Resources Division?* **112 responses.** 86% (96) stated Yes. 14% (16) stated No.
11. Does the system application you use in your daily work contain ***sufficient*** *input controls (system edits) to ensure the information you enter is correct?* **124 responses.** 48% (59) stated Yes. 31% (38) stated No. 21% (27) were not sure.
12. How would you rate the information technology support you receive on a scale from 1-10, with 1 being not satisfied at all and 10 being completely satisfied? **120 Responses.** Average rating– 7.8. 51% (61) rated IRD as a 9 or 10. 10% (12) rated IRD as a 5 or less. No one rated IRD as a 1.
The remaining questions asked for narrative comments. Representative comments for each question are indicated. *13. What suggestions do you have for changes or additions to the User's Manuals in order to improve its usefulness to you?* * Need information on "how to use" versus "what a system does." * The examples used in L/E manual do not relate to TABC work and are somewhat useless and/or confusing. * Manuals should be on-line. * Development of manuals should include more user input.
14. How were you trained on the use of the computer system and application you use in your daily work? * Little or no training. * Peer/supervisor training. * Formal classes or self-trained in training center * on-the-job training * Self-trained * External training * Several responses indicated the Versa training was not of adequate quality to be very useful.

15. What do you do to obtain help when it is needed for computer problems?
*The large majority of respondents stated they simply call IRD or the helpdesk.
* Altiris was mentioned by several respondents.
* Intranet/e-mail was mentioned by several respondents.
*Several comments were made about the lack of ability to secure help when needed.

16. How do you receive information about computer system and/or system application changes?
* Nearly all respondents stated they received information via e-mail.
* A few respondents mentioned bulletins from headquarters.

17. What additional edits could be developed to ensure accuracy of data entered into the system application you use in your daily work?
*No specific edits were identified. However, some respondents identified L/E and WFM as needing additional edits.

The following comments are samples of those made:
* "IRD does try to be very helpful, however, without the proper background or training how can they help us? I have even asked one of the managers for help with software issues and have never been successful. One person who was able to answer a question immediately was Loc Vu. But they do try."
* "The system should be set up to where you cannot continue your data entry without first entering ALL the required data. The data required should be limited to only a few options. If we are going to receive error messages for entering a work related 'code,' then that code should not be available as an option"
* "Some type of function in the WFM program to advise the user that additional information is required or missing which would not allow one to go further in the data entry process until the errors are fixed."
* "WFM system needs to verify that all required input information is correct and entered before they can be submitted. Currently, we have an individual that does error reports and sends them out into the field so that incorrect data that was entered or data that is missing is corrected."

18. Please list any addition comments you may have regarding any issues discussed in the survey.
* System too slow, particularly in afternoon
* Too many new systems without ability to learn one system before a new one is out.
* Field offices need more computers for officers to do work efficiently.
* It takes IRD too long to get things done.
* There need to be better user input into system development.
* Both WFM and L/E were identified as having significant problems.

The following are examples of comments received:
* "Most requests for information needed to perform daily activities and duties is not addressed by the IR staff."
* "I have seen great changes and improvement since Sherry Cook has joined TABC. I am really looking forward to the progress and improvements she will make to IRD."

* "Our supervisors require information be entered in a sequential order or by a certain date in order to run a report. The manual gives specific instructions on how to enter an assignment, for example, that we should notify a permittee in writing or schedule an appointment in advance. So, we end up either back dating information or per-entering information. If I actually followed the manual and entered the information in WFM and Lotus Notes etc., timely and accurately, I wouldn't get very much done.

* "I think the people at IRD do a good job and know what they are doing. They are always helpful when I need them and if the person I am speaking to doesn't know the answer, they find someone who does and get back with me in a timely manner."
*" When there is a seizure of alcohol we store that alcohol in a liquor room until there is a disposition in court. The system allows dispositions but they are never entered. If an agent does enter a disposition for a case the auditor does not get an update. So the system does not take into account the real day-to-day workings of the employees. The liquor rooms are overflowing with seizures."
* "Overall, since Mrs. Cook has taken over that area, the customer service and quality of work has grown and improved by leaps and bounds. Keep up the improvements. Thank you."
* "There are not enough computers in our office for the number of agents. This results in loss of work time as agents wait for computers to do mandatory data entry."
* "Proper training and updates should be provided, not just emails telling us what is wrong with the data entry we did 3 months ago. Teach us how to properly enter the data the first time and we will not have to redo it!! We, as police officers, spend way too much time sitting in front of a computer, then get yelled at by a supervisor for not being 'out on the street.' Give us the equipment to retrieve and input data from our cars."
* "Somewhat unrelated, but it would be helpful to have wireless connections when on the road. IRD has resisted this request due to security reasons. I'm sure there is a way to do it without compromising the TABC network."
* "Time to move into at least the 20th century and go wireless. Data entry takes too long in the office at the end of the shift or on the next work day. Would be more efficient to be able to enter this information as you go from inspection to inspection. While I realize purchasing every agent lap tops to use in the field would be costly, should have at least one per two agent team and can phase them in over a period of time."
* "When I have an emergency or need a quick answer to a question and I call the helpdesk my question is usually followed by 'I don't know but I'll have to ask someone and they will get back to you.' "
* "There seems to be limited maintenance and updates. When I have had problems, a large portion of the time the problem is fixed by an update that could have been done previously."
* "For the longest time with this agency, any changes that come about are either self taught or the training provided is insufficient."
*The training environment has never been conducive to the training being instructed and many times when questions are asked, the instructors do not have an answer. The programs are launched and in a short time correction emails are sent out with instructions on how to correct the mistakes. The emails are necessary due to no specific manual dealing with that particular program. There is room for much improvement."

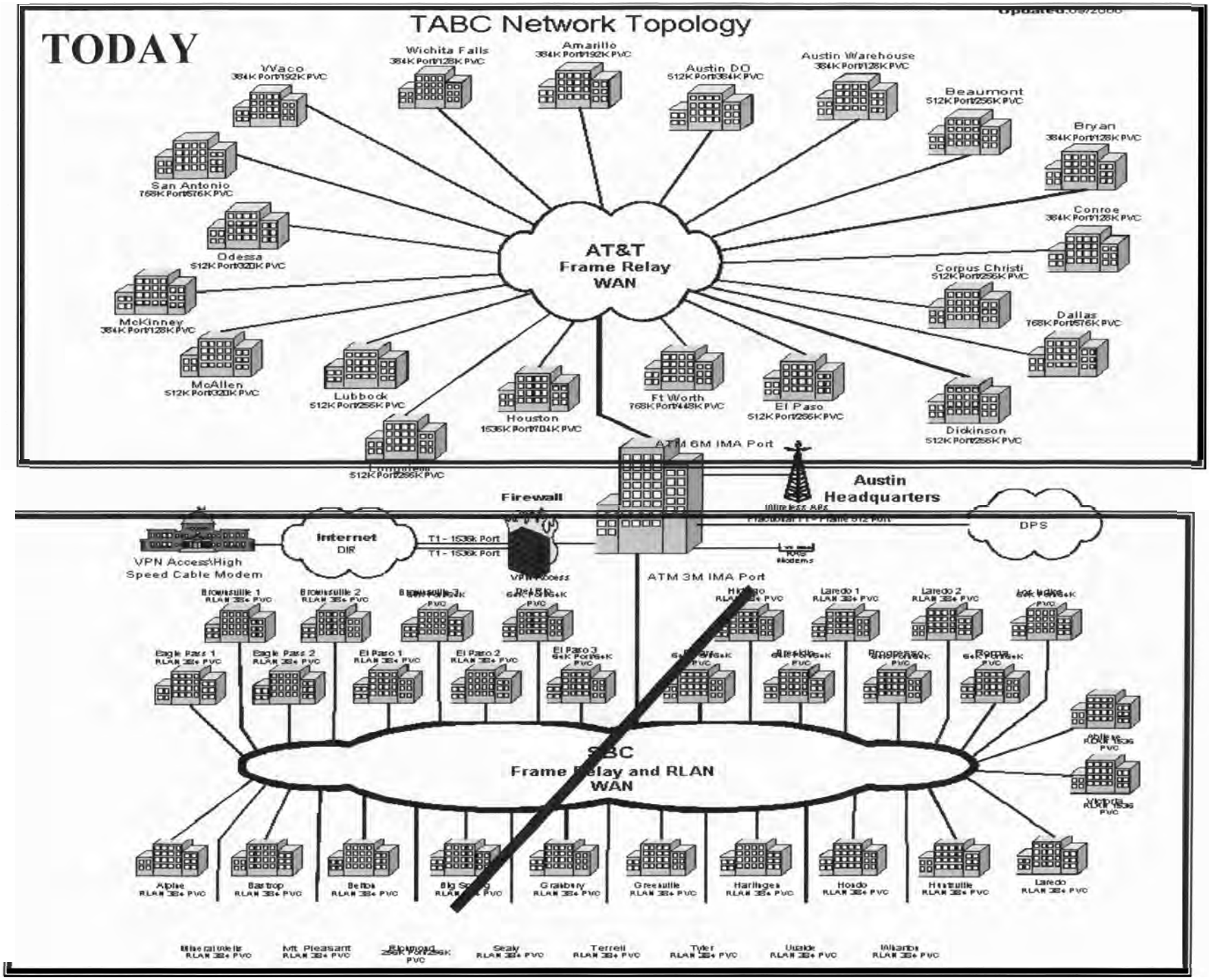
Attachment 2

TABC Network Upgrade

TABC NETWORK UPGRADE

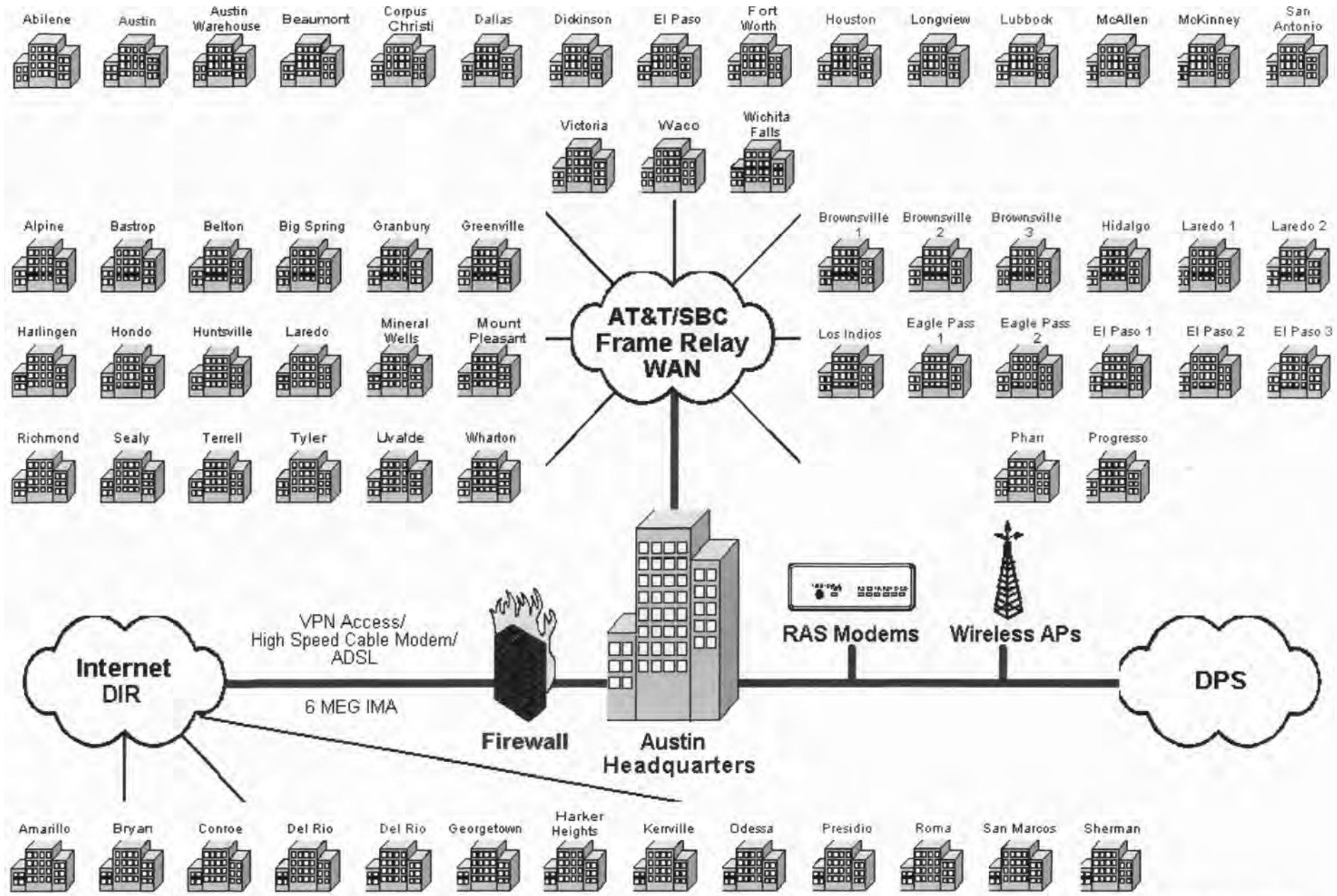
TABC Commission Meeting **September 28,2007**

TODAY


TABC Network Topology
Waco
384K Port/192K PVC
Wichita Falls
384K Port/128K PVC
Amarillo
384K Port/192K PVC
Austin DO
512K Port/384K PVC
Austin Warehouse
384K Port/128K PVC
Beaumont
512K Port/256K PVC
Bryan
384K Port/128K PVC
San Antonio
768K Port/576K PVC
Odessa
512K Port/320K PVC
Conroe
384K Port/128K PVC
AT&T
Frame Relay
WAN
Corpus Christi
512K Port/256K PVC
McKinney
384K Port/128K PVC
Dallas
768K Port/576K PVC
McAllen
512K Port/320K PVC
Lubbock
512K Port/256K PVC
Houston
1536K Port/704K PVC
Ft Worth
768K Port/448K PVC
El Paso
512K Port/256K PVC
Dickinson
512K Port/256K PVC
512K Port/256K PVC
ATM 6M IMA Port
Austin
Headquarters
Firewall
Internet
DIR
T1 - 1536k Port
T1 - 1536k Port
DPS
VPN Access\High
Speed Cable Modem
ATM 3M IMA Port
Brownsville 1
Brownsville 2
Laredo 1
Laredo 2
Eagle Pass 1
Eagle Pass 2
El Paso 1
El Paso 2
El Paso 3
SBC
Frame Relay and RLAN
WAN
Alpine
Bastrop
Bellville
Big Spring
Granbury
Greenville
Harlingen
Hondo
Hereville
Laredo
Mineral Wells
Mt. Pleasant
Richmond
Sealy
Terrell
Tyler
Uvalde
Wharton

FUTURE

TABC Network Topology



Regional Office District Office Ports of Entry Outpost

Updated September 2007

TIME FRAME

- Mid-October Installation of the DS3

  Replacing 8 T1's with 1 DS3

- Prioritize and Begin Increasing Bandwidth

  Houston − Dallas – San Antonio

- Move Small Offices, Outposts and POE to Broadband

- Pilot Voice over IP

  Dallas or Houston

- Scheduled for Completion − End of December

BENEFITS

- Monthly Cost Savings of $1,512.74
- Increased Bandwidth
- Single Point of Contact for Support, Maintenance and Repairs
- Fiber Optic Connection
- Video and Voice Over IP
- Improved Security

Attachment 3

2007 Summer Conference

2007 Summer Conference

"Soaring to New Heights"

Conference Modules

- State Employee Charitable Campaign
- "Making Presentations" Training
- Education and Prevention Update
- Legislation and Law Changes
- Technology Showcase

*"Change Management" Training

Conference Modules

- Breakout Sessions
- Team Building Exercises
- Austin Headquarters Expo
- Administrator's Comments
- Feedback and Evaluations

CERTIFICATION

REGULAR COMMISSION MEETING

10:30 a.m. – September 28,2007

5806 Mesa Drive
Austin, Texas 78731

TEXAS ALCOHOLIC BEVERAGE COMMISSION

STATE OF TEXAS

COUNTY OF TRAVIS

This certifies that the attached is a true copy of the proceedings of the Texas Alcoholic Beverage Commission meeting held on September 28, 2007.

Alan Steen
Administrator

Sworn and subscribed before me this the 15th day of October 2007.

Renee G. Johnston
Notary in and for Travis County

RENEE G. JOHNSTON
Notary Public, State of Texas
My Commission Expires
AUGUST 27,2010

Notary without Bond