



Texas Department
of Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Internal Communications Audit
21-08

Internal Audit Division
September 2021



Internal Communications Audit, 21-08

Executive Summary

BACKGROUND

The Texas Department of Motor Vehicles (TxDMV) communicates information to its employees through various methods. TxDMV primarily relies upon messages directly from the Executive Director's Office (EDO) and information being passed on by division management.

This audit began with a focus upon the strategic communication processes with its external stakeholders. At the beginning of the audit, EDO expressed interest in a review of communication flows internally. Based on the risk, IAD narrowed the scope to internal communications only.

The objective of the audit was to determine if the Department's communication strategy coordinates information with affected parties internally.

RECOMMENDATIONS

This report includes one HIGH and one LOW priority recommendation related to identification of events requiring communication and identification of communication methods.

RESULTS

IAD found that the maturity of TxDMV's internal communications processes are at a level 2 – Repeatable but Intuitive. EDO expects each division to clarify communications about TxDMV activities that directly impact their staff. Each division uses its own processes to pass on information. The processes change depending on the information being communicated, which may result in staff's not knowing when to expect information and may cause perceptions that management is not being transparent.

Although there is no standardized process at the divisional level, EDO has been focused on improving transparency of communication to staff. EDO hosts Conversation Café bimonthly video broadcasts available to the whole Department and issues weekly status update emails. Both summarize high-level information on current events and items of interest such as TxDMV COVID responses, facilities projects and updates, hiring, wellness resources, and social events.

In addition, EDO has begun using employee roundtables to clarify information regarding events with significant impacts across the Department.

MANAGEMENT RESPONSE

The EDO is always looking to improve communications within the Department and is committed to establishing more effective communications to ensure consistency and efficiency. The EDO agrees with the recommendations and will implement both recommendations by February 2022.

We appreciate the work performed by the IAD. The team's assessment will help us improve communications throughout the Department.

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Overall Conclusion

Maturity Assessment Rating

2 – Repeatable but Intuitive: The function developed a process where similar procedures are followed by several employees, but the results may not be consistent. The process is not completely documented and has not been sufficiently evaluated to address risks.

Other possible ratings and definitions can be found in Appendix 1, under Maturity Assessment Rating Definition.

Strengths

- + The Texas Department of Motor Vehicles (TxDMV) Executive Director's Office hosts Conversation Café every other month that is broadcasted to the whole Department and are available to staff to rewatch on the Department's intranet. The broadcasts summarize board meeting events and discuss other Department current events and items of interest. In previous Conversation Café broadcasts, current events about TxDMV COVID responses, facilities projects and updates, hiring, and wellness resources were covered. Information on each topic was discussed in sufficient detail to address audience questions or explain project progress, targets and timelines (where applicable), and rationale.
- + The TxDMV Executive's Director's Office also distributes weekly all-staff status update emails highlighting internal and external current events impacting the Department. 279 of 357 (78%) of respondents surveyed by IAD on communication effectiveness indicated they found these weekly status update emails to be a useful source of information on Department current events.
- + Divisions make efforts to frequently communicate with their staff regarding information items impacting their areas. Of 357 respondents to the communication effectiveness survey conducted by IAD 215 (60%) agreed they are informed of changes and initiatives impacting them, 236 (66%) rely upon their supervisor or division director as primary sources of information. 275 (77%) agreed that their division's COVID-19 re-opening plans were clearly presented to them, and 272 (76%) agreed those plans were presented with sufficient advanced notice to plan for changes. Additionally, as those plans were adjusted, 252 (70%) agreed those adjustments were clearly explained.
- + The Executive Director's Office tasked the Department's Human Resources Division and Employee Ombudsman with presenting the final phase of the COVID-19 reopening plan to staff. The presentations were held in an online roundtable format separately to staff and to supervisors with attendees capable of asking questions anonymously. This format allowed both for a unified message to be presented to all staff, and the opportunity for the free exchange of questions by staff without fear of reprisal from managers or peers.

Improvement

The Department has multiple avenues of communication to staff including Executive Director's Office (EDO) all-staff updates on a periodic basis. The EDO relies upon division management to push messages specific to their areas down through their divisions to staff. The methods by which divisions relay this information is at their own discretion and vary by division. However, these efforts do not consistently result in information being disseminated and received by staff, particularly in some larger divisions, and when regarding items with broad Department impacts. Below are the audit results that further expand on these areas (click on the links to go directly to the result and recommendations).

- **[Audit Result #1: Department messages to staff can be inconsistently provided despite multiple communication methods used by management.](#)**
 - o **Recommendation 1.1** The Department should identify the type(s) of events warranting more formalized, uniform messaging to ensure all staff receive a synchronized message. **(LOW)**
 - o **Recommendation 1.2** The Department should identify which communication methods and the frequency of communications which it believes will be effective at delivering a simultaneous message to all staff. **(HIGH)**

The detailed audit results can be found under the Audit Results section of this report (begins on page 4).

Background

This audit began with a focus upon TxDMV's strategic communication processes with its external customers and stakeholders. The Internal Audit Division (IAD) narrowed the scope of the audit after discussion with EDO expressing interest for a review of communication flows internally to staff and concern that information directly impacting staff may not be filtering fully to them. IAD agreed to expand the scope of the audit in planning to determine where the risk lied. Based on the planning results, IAD narrowed the scope to internal communications as deficiencies with internal communication has a high likelihood to affect the successful communications with external customers and stakeholders.

TxDmv's uses a decentralized approach to communicate with its employees regarding how activities will directly affect them. While EDO provides an overview on topics impacting the Department, each division is responsible for communicating information specific to their division to their own staff. EDO also provides weekly updates on Department-wide issues. Divisions commonly use email updates, staff meetings, and manager meetings on a weekly or monthly basis to keep staff informed. Divisions also notify one another on an ad-hoc basis of events and information where cross-functional impacts or dependencies exist.

Staff have previously identified, through the Survey of Employee Engagement (SEE), internal communications as an area of concern. The SEE looks at internal communication as it could impact morale and turnover within organizations. From the SEE, lower internal communication scores indicate that staff feel information may not arrive timely and may be difficult to find.

Audit Engagement Team

The audit was performed by Sandra Menjivar-Suddeath (Internal Audit Director), Derrick Miller (Senior Auditor), Naomi Marmell (Auditor), and Frances Barker (Quality Assurance),

Audit Results

Audit Result #1: Department messages to staff can be inconsistently provided despite multiple communication methods used by management.

Condition

TxDMV uses multiple communication avenues to inform staff of current events and events that impact operations department-wide. The communication avenues include a weekly all-staff update email and video broadcasts every two months (Conversation Café) that are conducted by the Executive Director's Office (EDO). EDO communications provide high-level details on the current and department-wide events. EDO relies upon division management to provide detailed information on how current and department-wide events directly impact divisions and the divisional staff.

Divisions have the discretion on how the detailed information is provided to staff. Methods employed by various divisions include weekly to monthly team meetings, one-on-one meetings with staff, and/or forwarding emails sent directly from the EDO. Most of the communication is verbal than written. Communication methods and timing varied among divisions even regarding the same topics. For example, divisions were directed to communicate reopening plans and impacts to staff after EDO explained reopening plans and strategies in Department-wide emails and Conversation Cafes broadcasts. Reopening plan messages from divisions varied from weekly staff meeting updates to a single email notification from division management. Initial communications were sent as early as June 2020 to as last as January 2021.

TxDMV's most recent 2019 SEE Internal Communication rating was its 3rd lowest of 12 rated areas of leadership, organizational performance, and employee engagement concepts. Since this audit began, the Department has improved its coordination of all-staff messaging.

Impact (Effect)

The communication feedback survey conducted for this audit indicated staff feel communication lacks transparency. Comments received from staff responding included the following:

- Communication of changes only being presented by division management after the change has taken place.
- The perception that information is intentionally siloed until after changes take effect.
- Lack of communication from management explaining how Department initiatives should be taken by staff.

Cause

Divisions do not have guidance on how to best ensure staff receive a clear, consistent, and timely message on items having Department-wide impacts.

Expected State (Criteria)

Best practices have identified that open communication, both within and across divisions and department-wide, help achieve an effective work environment. The communication should ensure that necessary information is communicated to staff by providing and generating relevant and quality information. Further, EDO has set the expectations that division directors provide information about TxDMV activities that directly impact staff.

Evidence

- Previous Survey of Employee Engagement (SEE) results identified internal communication among the Department's lowest rated areas out of 12 constructs which capture concepts utilized by most organizations to drive organizational performance and engagement. TxDMV received Internal Communication overall scores of 350 in 2019, which is the tipping point between positive and negative perceptions in the survey's ratings. The average internal communication score for all similarly sized agencies was 369 in the 2019 SEE.
- 23.6% of employee responses to the 2019 SEE stated they feel that upper management should communicate better.
- IAD reviewed 94 documented communication items from division management to staff including emails, team meeting agendas and notes, and division reopening plans. Overall, 56 (60%) of communications were verbal and 38 (40%) were written. For example, from the items reviewed relating to Re-opening plan information, 43 were staff meetings including all-staff meetings, manager meetings, and conference calls, and 22 were emails, newsletters, division policies or procedures, and the reopening plan itself.
 - Two large divisions held up to nine staff meetings addressing reopening, while two others held 1 or no meetings directly on their division's reopening plan. Meeting frequency varied from weekly, monthly, or ad hoc across different divisions.
 - One division accounted for 11 of the 22 written items, providing monthly updates June-September 2020 and January-June 2021. Remaining divisions provided 1-3 emails mostly between January-June 2021.
- Communication within the Department remains siloed, reducing interdivision information sharing. IAD conducted its own survey of all 734 full-time TxDMV personnel (excluding Internal Audit Division personnel) to obtain feedback in several areas of communication effectiveness within the Department. 49% of surveyed personnel responded.
 - There is transparency between divisions regarding changes and initiatives.

- 28% disagreement
 - 39% neutral
- I am informed in advance of changes and initiatives impacting me.
 - 19% disagreement
 - 21% neutral
- Direct survey comments included the following themes:
 - Communication of changes only being discussed by divisional management after the change has taken place.
 - The perception that information is intentionally siloed until after changes take effect.
 - Lack of communication from management explaining how Department initiatives should be taken by staff.

Recommendations

1.1 The Department should identify the type(s) of events warranting more formalized, uniform messaging to ensure all staff receive a synchronized message. (LOW)

1.2 The Department should identify which communication methods and the frequency of communications which it believes will be effective at delivering a simultaneous message to all staff. (HIGH)

Management Response and Action Plan

Management Response and Action Plan 1.1

The EDO agrees with this recommendation. The EDO will work to identify the type(s) of events warranting more formalized, uniform messaging to ensure all staff receive a synchronized message. The EDO will collaborate with division leadership to create a plan for implementation to better ensure messaging is transparent and widely disseminated.

Management Action Plan Owner(s)

Whitney Brewster, TxDMV Executive Director
 Shelly Mellott, TxDMV Deputy Executive Director
 Daniel Avitia, TxDMV Deputy Executive Director

Anticipated Completion Date:

12/31/2021

Management Response and Action Plan 1.2

The EDO agrees with this recommendation. The EDO will work to identify which communication methods and the frequency of communications which it believes will be effective at delivering a simultaneous message to all staff. The EDO will collaborate with division leadership to create a plan for implementation to better ensure that communication is continuous and in mediums that are effective in delivering messaging to department staff.

Management Action Plan Owner(s)

Whitney Brewster, TxDMV Executive Director
Shelly Mellott, TxDMV Deputy Executive Director
Daniel Avitia, TxDMV Deputy Executive Director

Anticipated Completion Date:

2/1/2022

Appendix 1: Objectives, Scope, Methodology, and Rating Information

Objectives

To determine if the Department's communication strategy coordinates information with affected parties internally.

Scope and Methodology

IAD reviewed archived Conversation Café broadcasts for scope and depth of topics, questions, and discussion, internal communication items regarding reorganizations, turnover of executive management positions, and proposed legislation during fiscal years 2020 and 2021. IAD also surveyed all full-time Department personnel for feedback on general communication effectiveness, and information received regarding COVID-19 related reopening plans, division reorganizations, and division management turnover.

Information and documents reviewed in the audit included the following:

- TxDMV Conversation Café archived broadcasts between 9/1/2019 – 6/18/2021
- Division-provided emails, team meeting agendas, division reopening plans communicated to staff
- Survey responses and comments from TxDMV personnel received 7/5/2021 – 7/28/2021
- Interviews with Division Directors
- University of Texas Institute of Organizational Excellence 2016 Employee Engagement Survey of the Texas Department of Motor Vehicles
- University of Texas Institute of Organizational Excellence 2019 Employee Engagement Survey of the Texas Department of Motor Vehicles

This audit was included in the FY 2020 Audit Plan. IAD conducted this performance audit in accordance with Generally Accepted Government Auditing Standards and in conformance with the Internal Standards for the Professional Practice of Internal Auditing. Those standards require that IAD plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on our audit objectives. IAD believe that the evidence obtained provides a reasonable basis for the findings and conclusions based on the audit objectives

COSO Elements

This engagement reviewed risks and controls that were relevant to the audit objective. As part of the evaluation and testing of the risks and controls, the audit team used the following COSO components and principles as depicted in Table 1:

Table 1. COSO Elements and Principles in Scope

COSO Element	Definition	Applicable Principles
Information and Communication	The quality information TxDMV management and staff generate and use to communicate and support the internal control system on an ongoing and iterative basis.	13 - The organization obtains or generates and uses relevant, quality information to support the functioning of internal control. 14 - The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.

Report Distribution

In accordance with the Texas Internal Auditing Act, this report is distributed to the Board of the Texas Department of Motor Vehicles, Governor’s Office of Budget, Planning, and Policy, Legislative Budget Board, and the State Auditor’s Office. The report was also distributed to the Department’s executive management team.

Ratings Information

Maturity Assessment Rating Definition

IAD derived the maturity assessment ratings and definitions from the Control Objectives of Information and Related Technologies (COBIT) 5 IT Governance Framework and Maturity Model and the Enterprise Risk Management (ERM) Maturity Model. The model was adapted for the TxDMV assurance audit purposes and does not provide a guarantee against reporting misstatement and reliability, non-compliance, or operational impacts. The ratings and definitions are provided in Table 2.

Table 2. Maturity Assessment Rating Definitions

Rating	Name	Definition
0	Non-Existent	The function used no process since a standardized process is not defined or being used.
1	Initial and Ad-Hoc	The function used an ad hoc approach when issues arise because a standardized process is not defined.

Rating	Name	Definition
2	Repeatable but Intuitive	The function developed a process where similar procedures are followed by several employees, but the results may not be consistent. The process is not completely documented and has not been sufficiently evaluated to address risks.
3	Defined	The function followed a standardized, documented, and communicated process. The process, however, may not detect any deviation due to the process not being sufficiently evaluated to address risks.
4	Managed and Measurable	The function followed a standardized, documented, and communicated process that is monitored and measured for compliance. The function evaluated the process for constant improvement and provides good practice. The process could be improved with the use of more information technology to help automate the workflow and improve quality and effectiveness.
5	Refined	The function followed a standardized, documented, and communicated process defined as having a good process that results from continuous improvement and the use of technology. Information technology was used in an integrated way to automate workflow and to improve quality and effectiveness of the process.

Recommendation Rating Criteria

The IAD rates audit recommendation's priority (i.e., HIGH or LOW) to help the TxDMV Board and executive management identify the importance of the recommendation. The criteria for Low and High Priority are documented in Table 3.

Table 3. Recommendation Priority Criteria

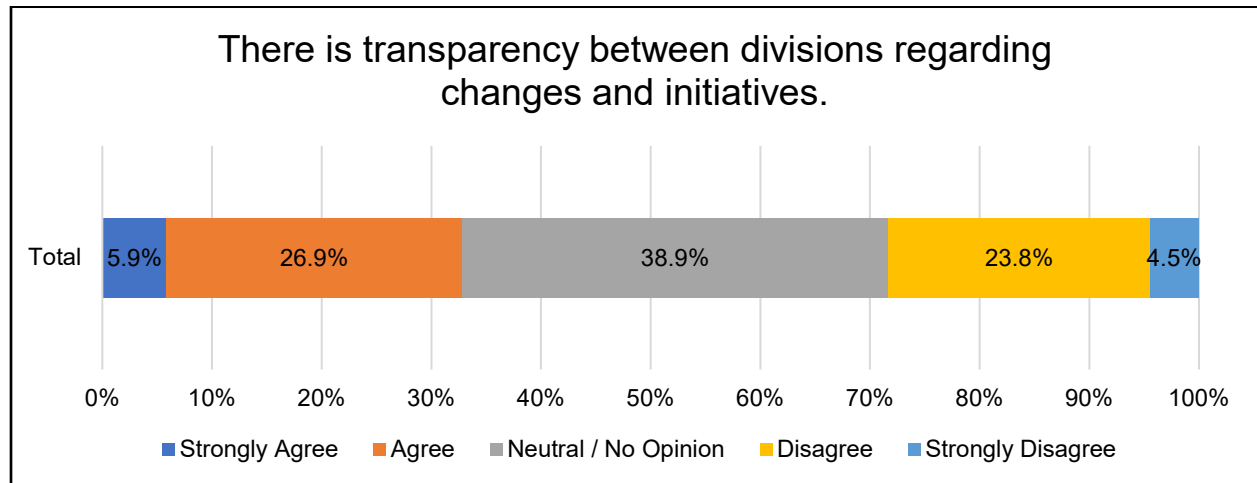
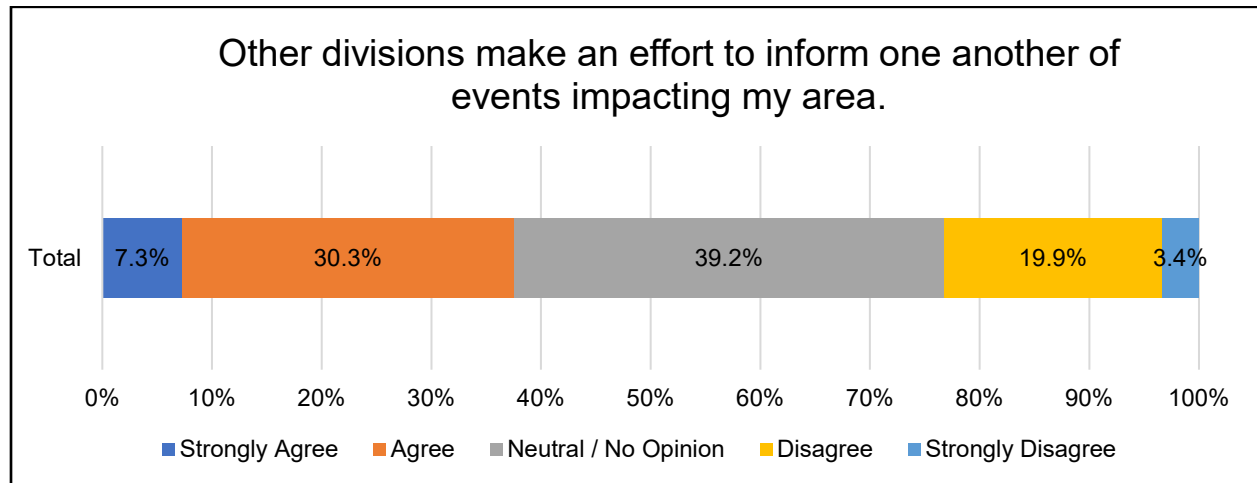
Priority	Criteria
Low	<ul style="list-style-type: none"> Requires only a written policy or procedure update Is within an acceptable range of risk tolerance for the Department A non-reoccurring or regulatory external audit issue
High	<ul style="list-style-type: none"> Executive Management or Board Request Not within an acceptable range of the risk tolerance of the division New process had to be developed to address recommendations Regulatory impact or reoccurring issue

Appendix 2: Communication Survey Results

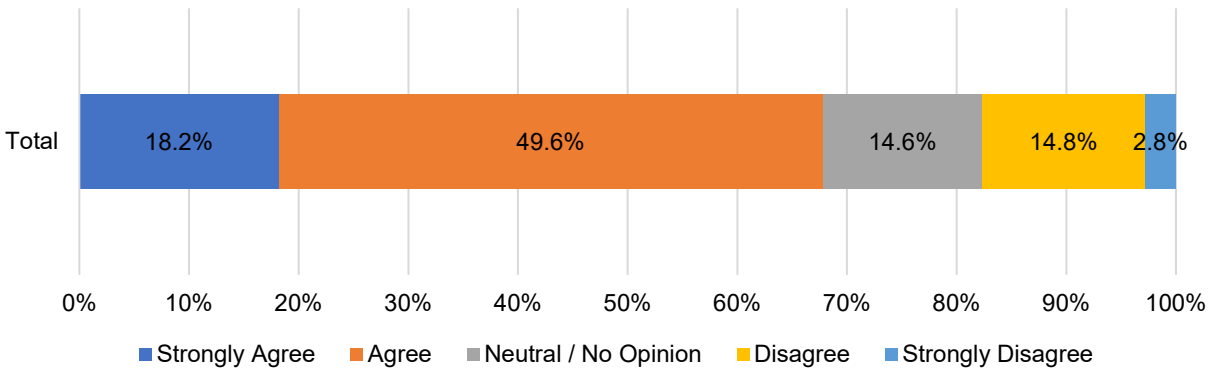
IAD conducted its own survey of all 734 full-time TxDMV personnel (excluding Internal Audit Division personnel) to obtain feedback in several areas of communication effectiveness within the Department. 49% of surveyed personnel responded.

The survey included 16 questions on general communication effectiveness and up to 26 total questions regarding communication effectiveness, legislative coordination, executive turnover, and reorganization depending on division activities within the last fiscal year.

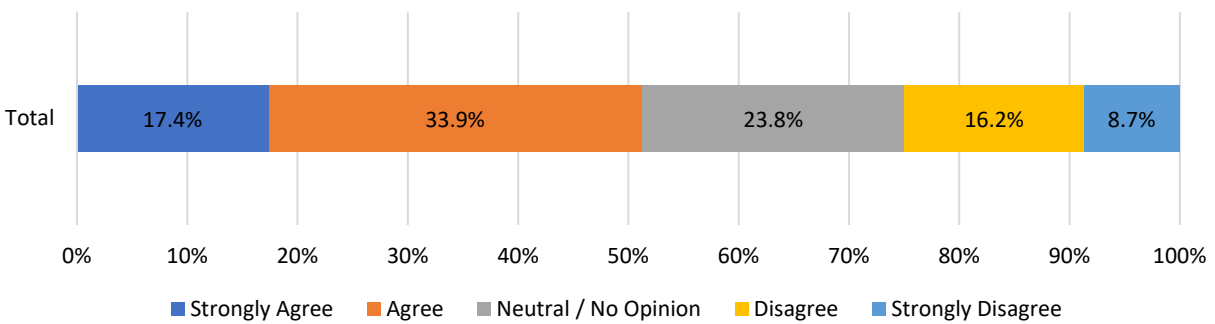
Communication Effectiveness Questions



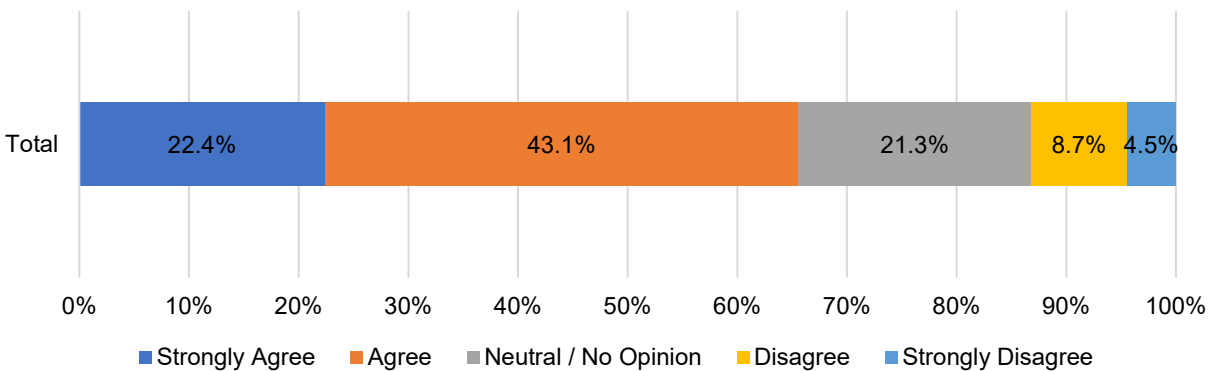
I get the information I need to do my job when I need it.



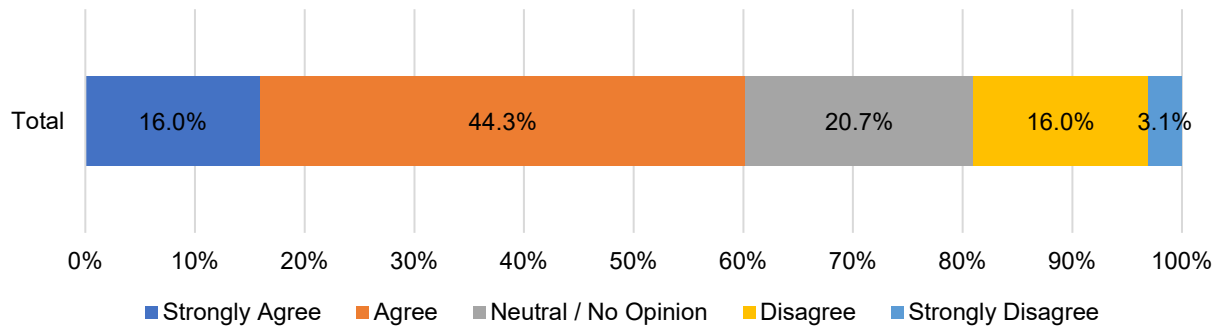
My division management actively solicits input from employees before major decisions are made.



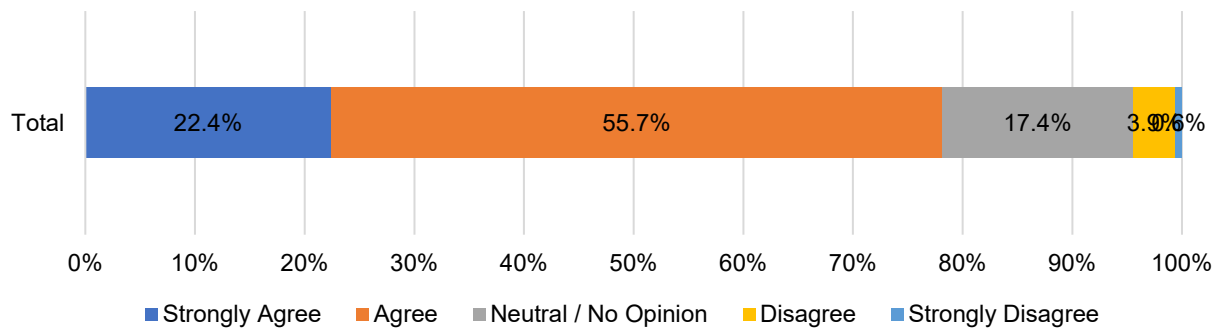
I can trust our management and believe what it says.



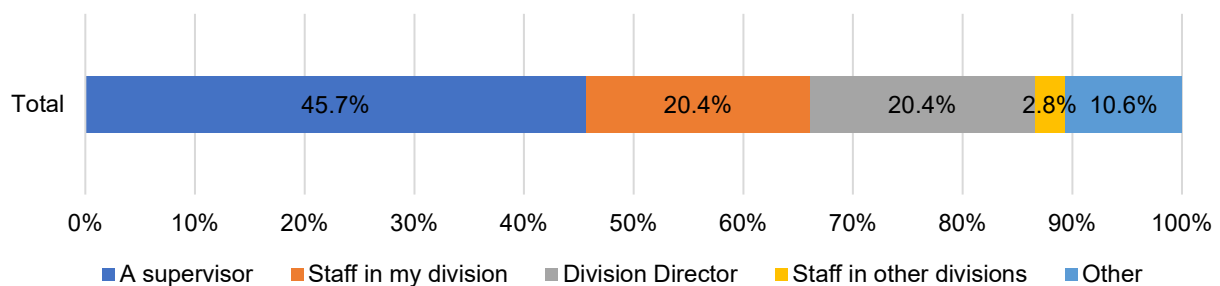
I am informed in advance of changes and initiatives impacting me.

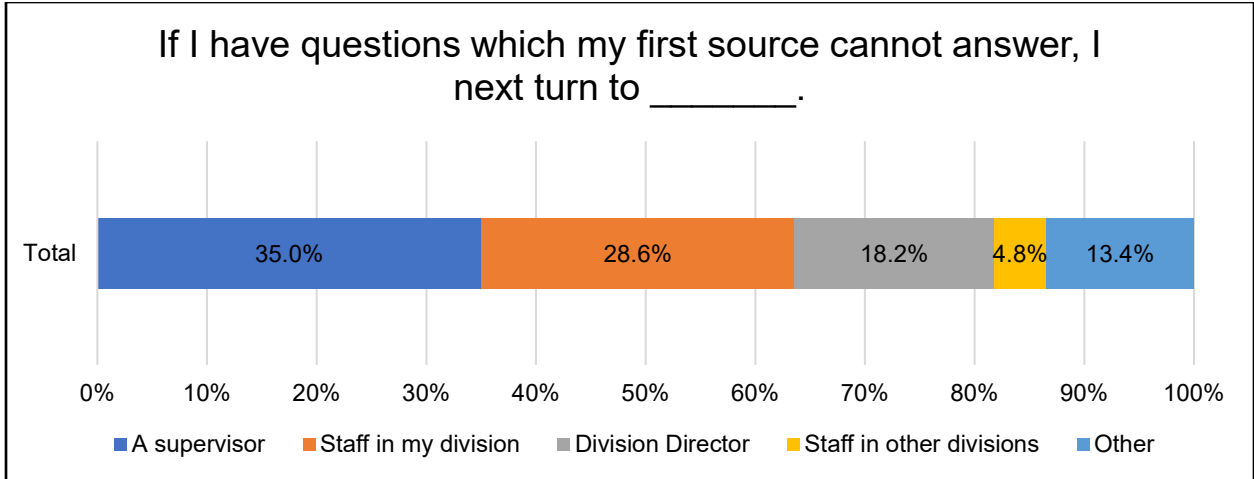


I find the Executive Office weekly update emails a useful source of information on Department current events.

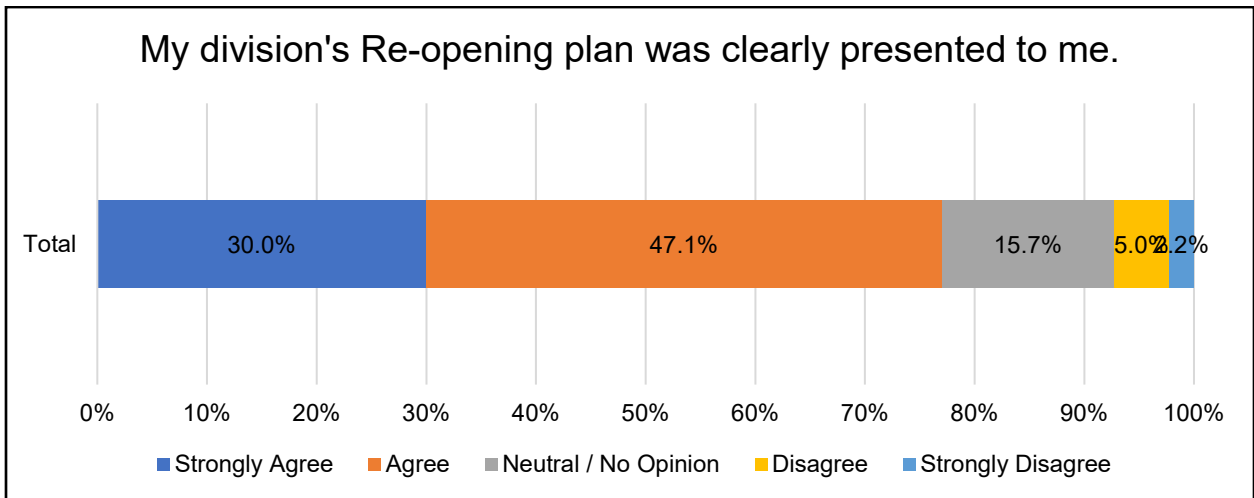
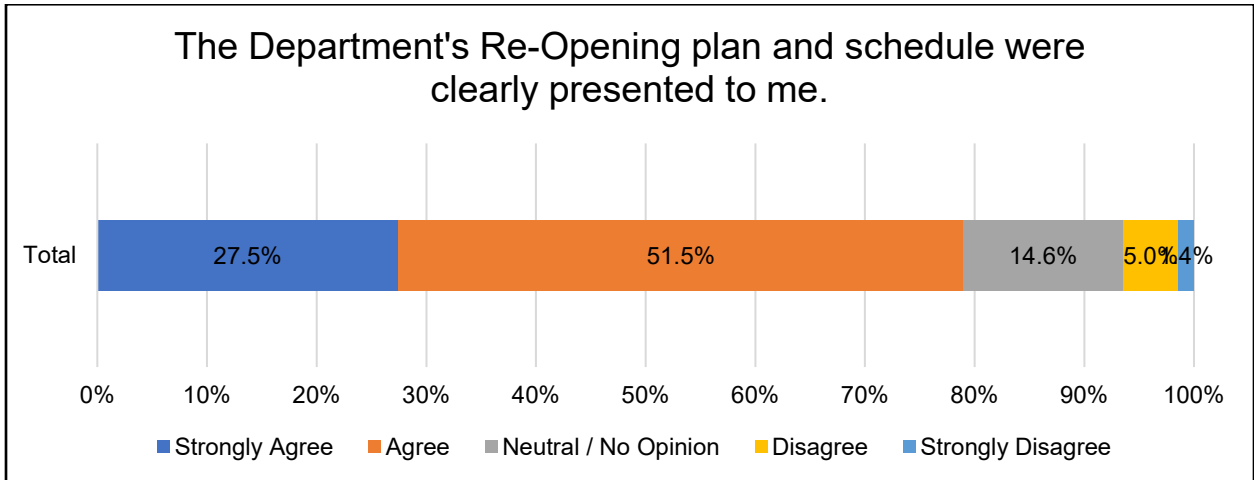


When I have questions about new division or Department initiatives I rely on _____ as a primary source for accurate answers.

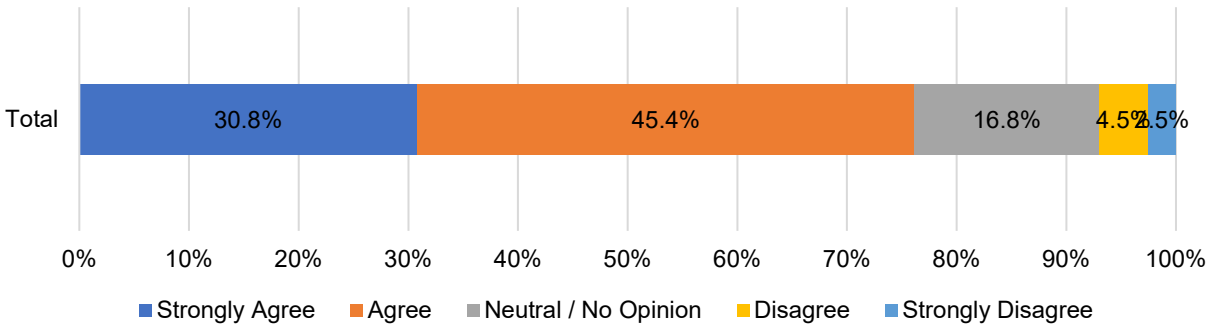




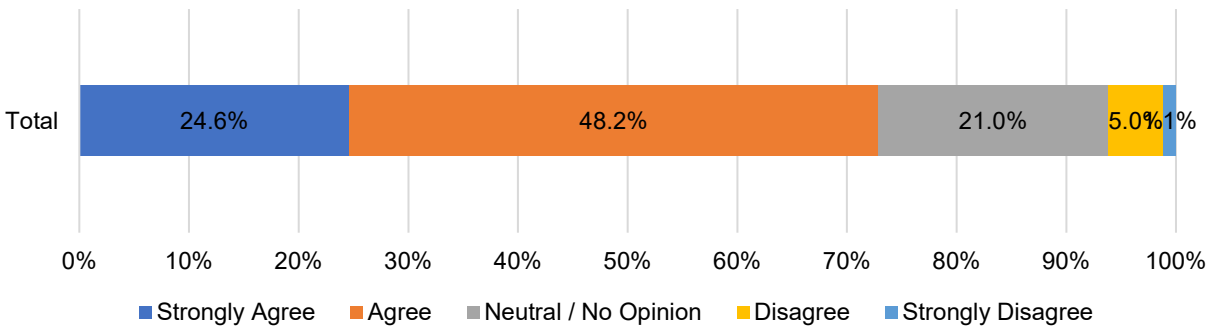
COVID-19 Re-opening Plan Communication Questions



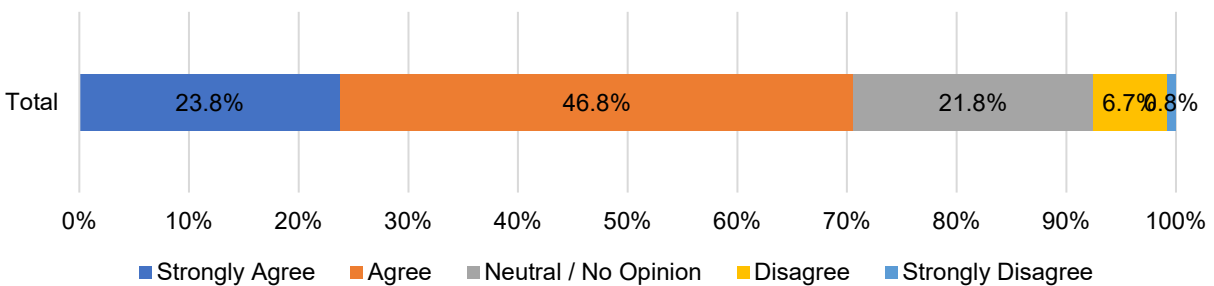
My division's re-opening plan was presented to me with sufficient advanced notice to plan for changes.



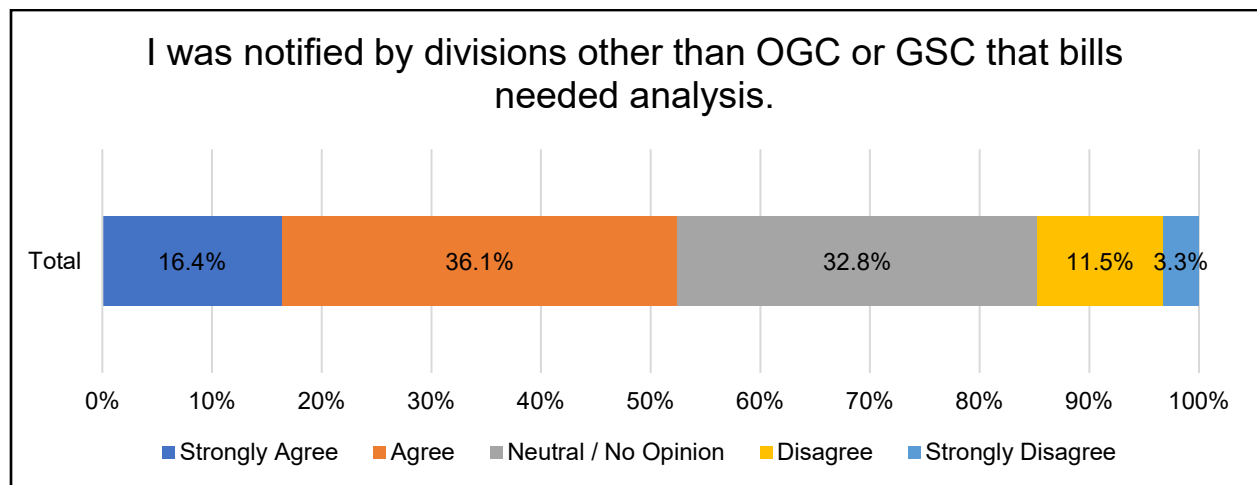
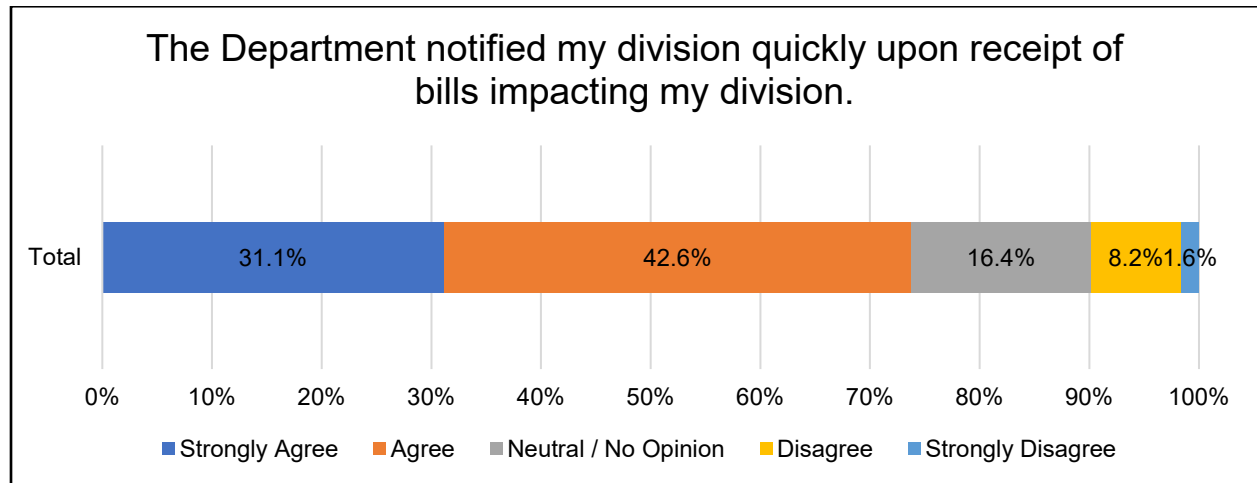
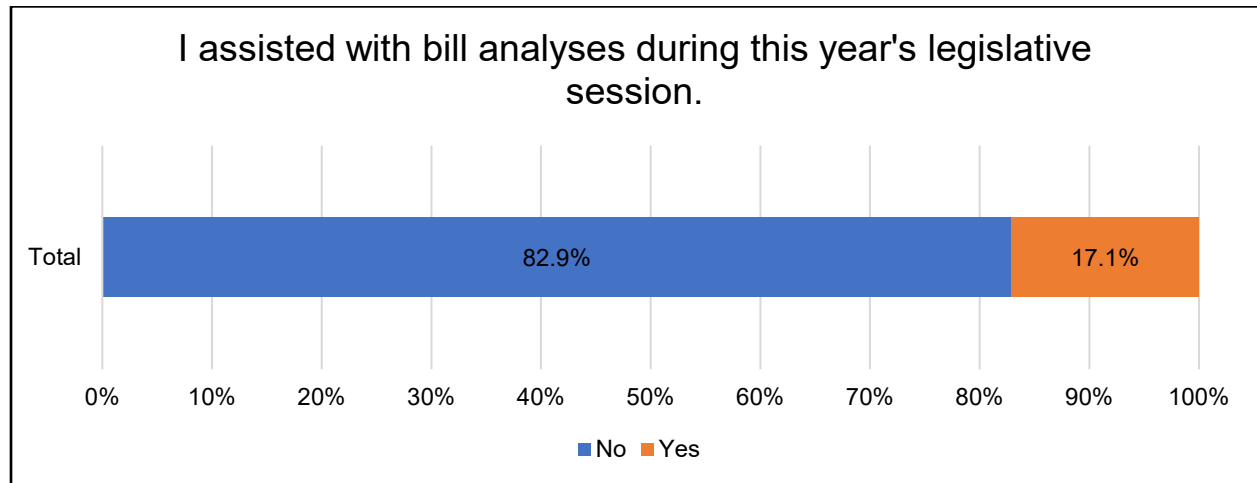
My Division's re-opening plan accurately reflected what actually occurred within each re-opening phase.



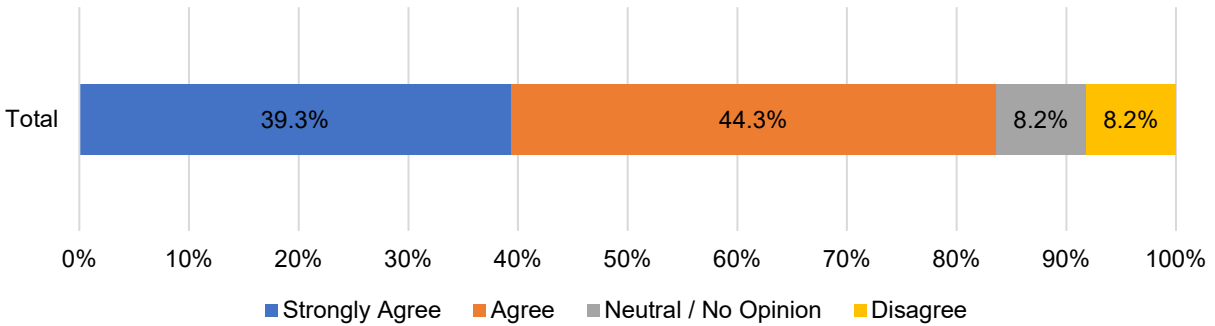
As adjustments were needed to the re-opening, those adjustments and their necessity were clearly communicated to me.



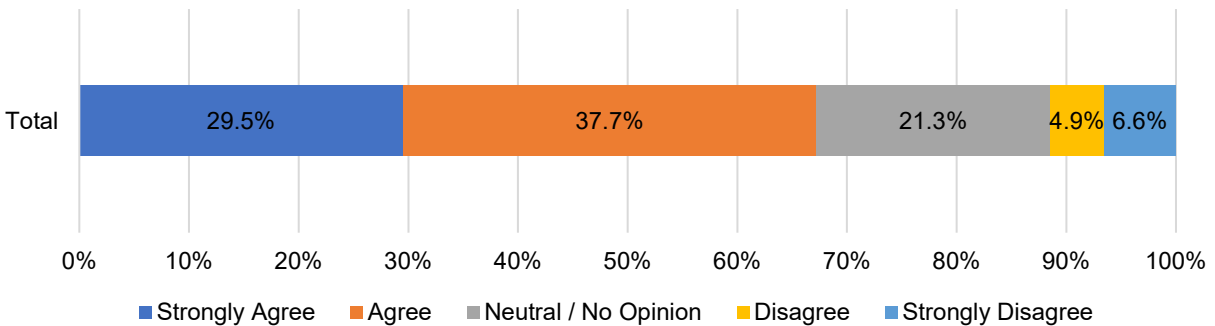
Legislative Coordination Communication Questions



My division quickly notified me upon receipt of bills needing my input/analysis from me.

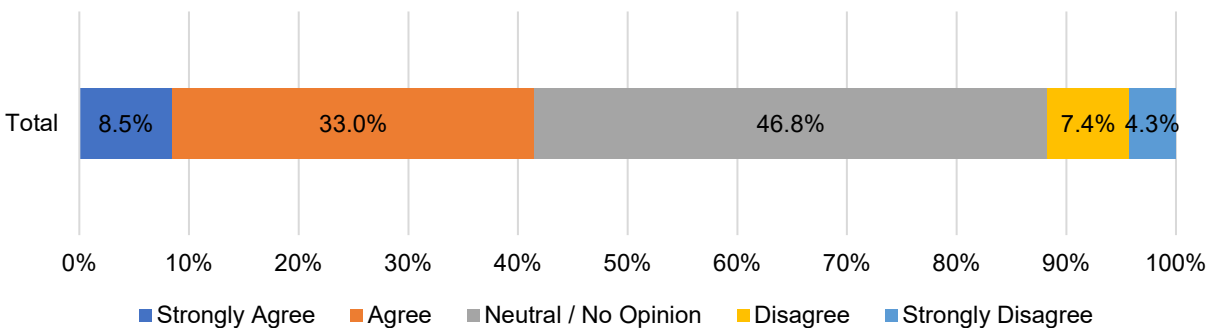


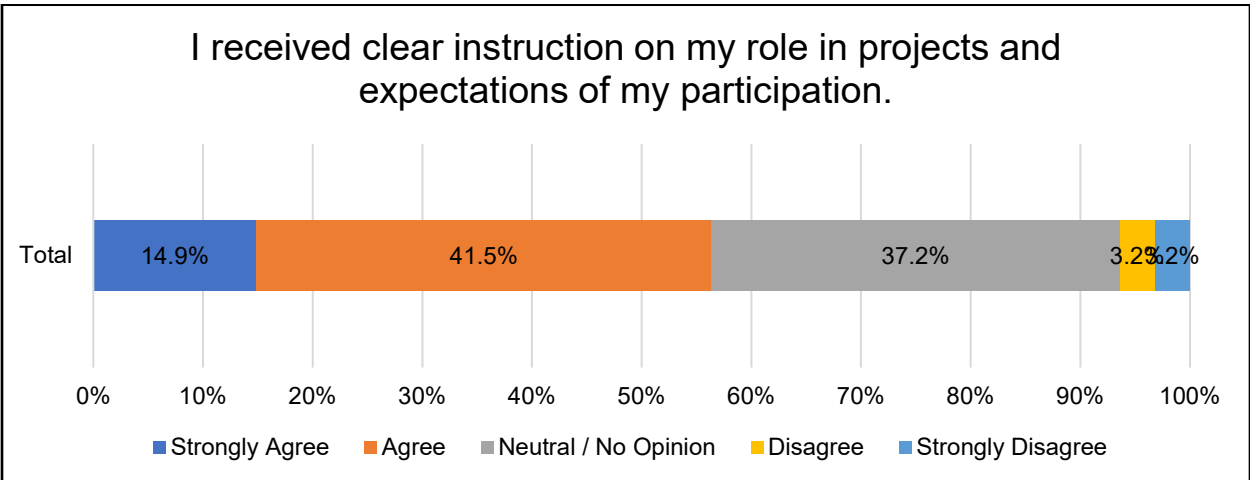
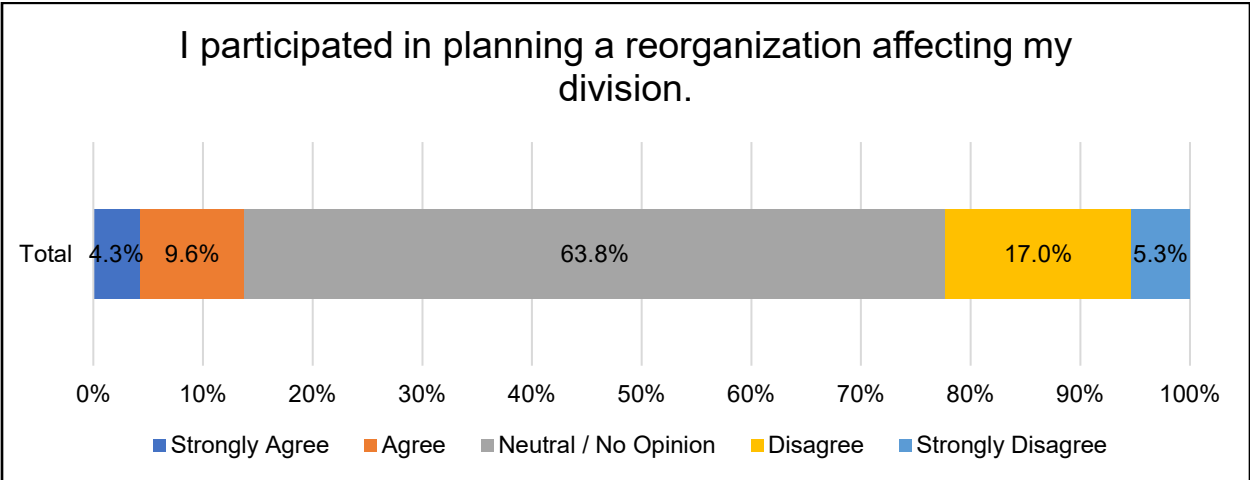
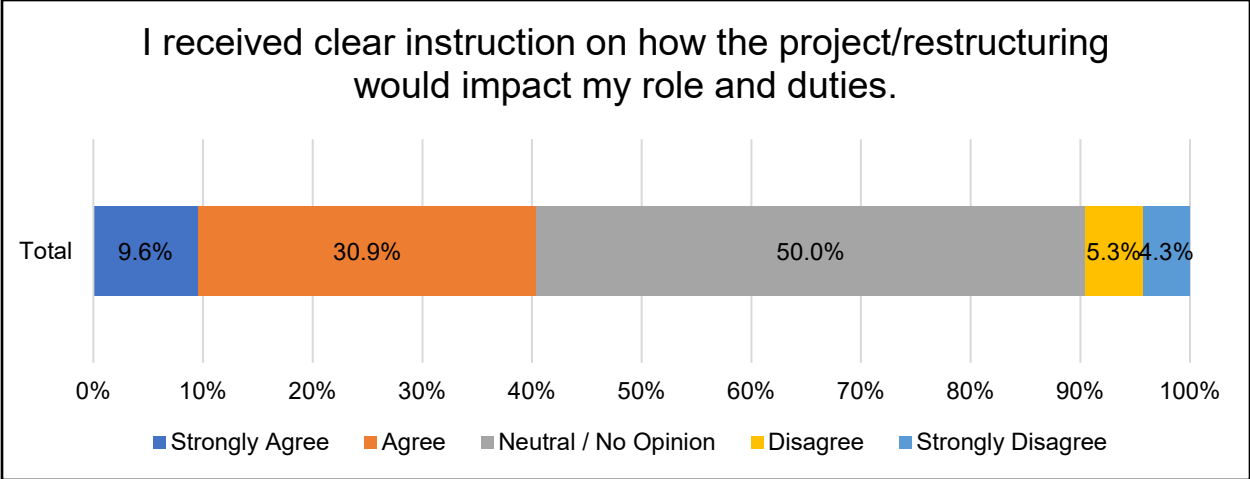
I was kept informed on bills progress toward passing so we could plan for implementation as a division.



Reorganization Communication Questions

I received advanced notice of a reorganization within my division that affected me.





Management Turnover Communication Questions

