Texas Department of Motor Vehicles

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Regional Service Centers Audit Report
23-05

Internal Audit Division
December 2023

Regional Service Centers Audit, 23-05

Executive Summary

The Vehicle Titles and Registration Division (VTR) of the Texas Department of Motor Vehicles (TxDMV or Department) operates 16 Regional Service Centers (RSCs). RSCs provide direct customer service for topics related to vehicle titles, temporary permits, and International Registration Plan credentials. RSCs play an integral role within the Department as its employees provide services to over one million customers annually. The objectives of the audit were to determine whether RSCs process transactions uniformly, to determine whether RSCs adequately serve its customers, and to access the culture at the RSCs.

WHAT WE FOUND

The audit found that RSC processes are at a Level 3 – Established: The function achieves its purpose in an organized way, following established processes, but those processes may not be consistently followed or well communicated. The Internal Audit Division (IAD) issued three results related to the audit objectives.

- **Result #1:** While the Department established review processes for bonded titles, there are opportunities to automate and improve controls to ensure verification steps are performed.
- **Result #2:** The Department's Regional Service Center employees are assigned correct permission levels to the Registration and Title System based on areas of responsibility, but the Department should set schedules to periodically review those permission levels and ensure employees complete required trainings.
- **Result #3:** The Department conducts customer satisfaction surveys from the Regional Service Centers through various methods, but improvements can be made to the collection method and evaluation of customers' feedback.

WHAT WE RECOMMEND

IAD made eight recommendations in this audit related to the following areas:

Training to ensure RSC processes are completed uniformly.

Recording customer service phone calls to perform quality assurance reviews.

Implementing Registration and Title System features to decrease manual work flow and strengthen controls.

Making QR code survey improvements to ensure data quality.
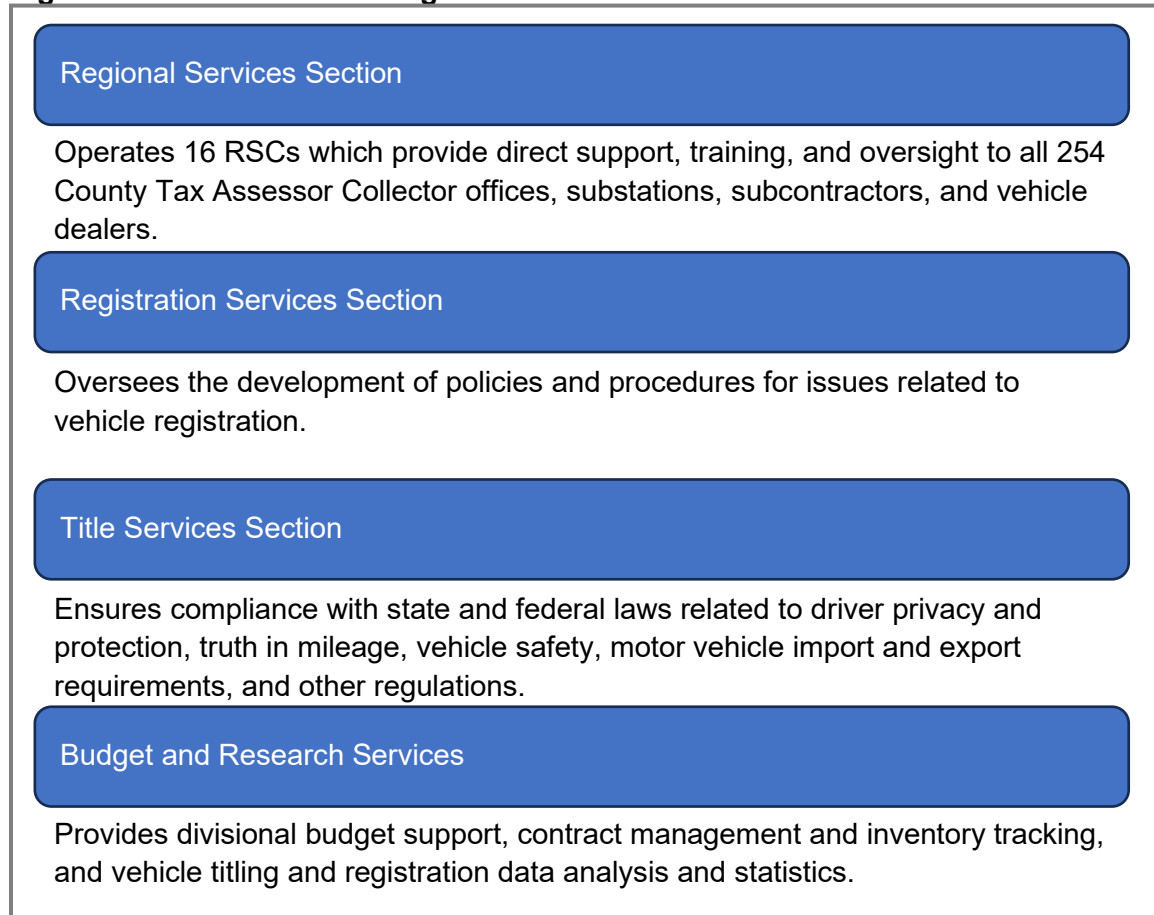
Reviewing user access on a periodic basis.
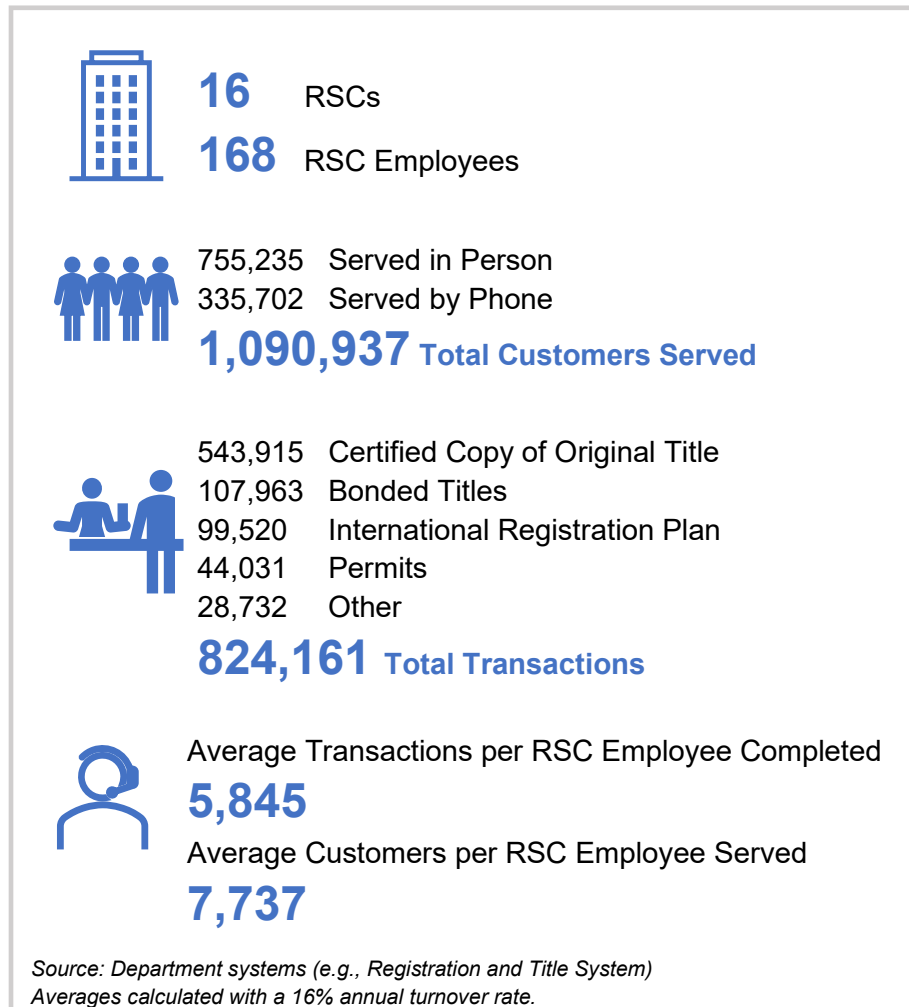
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Background

The Vehicle Titles and Registration Division (VTR) is responsible for overseeing vehicle titling, vehicle registration, and license plates issuance. It oversees 16 Regional Service Centers (RSCs) and provides policy and procedural support to the 254 county tax assessor-collectors, who process registration and title applications throughout Texas. VTR also updates and maintains the state motor vehicle database. VTR is comprised of four sections: Regional Service Centers, Registration Services, Title Services and Budget and Research Services.

Figure 1: Vehicle Title and Registration Sections

Regional Services Section

Operates 16 RSCs which provide direct support, training, and oversight to all 254 County Tax Assessor Collector offices, substations, subcontractors, and vehicle dealers.

Registration Services Section

Oversees the development of policies and procedures for issues related to vehicle registration.

Title Services Section

Ensures compliance with state and federal laws related to driver privacy and protection, truth in mileage, vehicle safety, motor vehicle import and export requirements, and other regulations.

Budget and Research Services

Provides divisional budget support, contract management and inventory tracking, and vehicle titling and registration data analysis and statistics.

In fiscal year (FY) 2023, RSCs serviced approximately one million customers and handled approximately 800,000 transactions (see **Figure 2**). The 16 RSCs are located in the following cities: Abilene, Amarillo, Austin, Beaumont, Corpus Christi, Dallas (Carrollton), El Paso, Fort Worth, Houston, Longview, Lubbock, Odessa, Pharr, San Antonio, Waco, and Wichita Falls.

Figure 2: FY2023 Customers and Transactions

16 RSCs

168 RSC Employees

755,235 Served in Person
335,702 Served by Phone
1,090,937 Total Customers Served

543,915 Certified Copy of Original Title
107,963 Bonded Titles
99,520 International Registration Plan
44,031 Permits
28,732 Other
824,161 Total Transactions

Average Transactions per RSC Employee Completed
5,845
Average Customers per RSC Employee Served
7,737

Source: Department systems (e.g., Registration and Title System)
Averages calculated with a 16% annual turnover rate.

In addition to serving customers in person and by phone, VTR management also stated that RSC employees respond to emails (approximately 200,000 outbound emails in FY2023), mail correspondence with multiple stakeholder groups, process surrendered junk titles, make International Registration Plan (IRP) updates, engage in training, and perform other research and administrative duties.

The audit scope focused on four RSCs of varying size and location: Abilene, Dallas, El Paso, and Houston. The top three transactions handled at the RSCs include:

- **Certified Copy of Original Title:** An owner or lienholder may obtain a certified copy of original title (CCO) if the original title has been lost, stolen or destroyed. The owner or lienholder, disclosed on the title, may obtain a certified copy of the title directly from the Department by applying and paying the applicable fee.

- **Bonded Title:** A Texas resident may obtain a bonded title file if the resident does not have satisfactory evidence of vehicle ownership by submitting an application (statement of fact) to an RSC explaining how and from whom the vehicle was obtained. After application approval, the vehicle owner must obtain a surety bond from a licensed surety

bond company and visit their local Tax Assessor Collector office for final application review and tax payment to receive the bonded title.

- **Texas International Registration Plan (IRP):** The Department has a program for licensing commercial vehicles engaged in interstate operations. Apportioned registration, also known as the IRP, lets an applicant obtain registration credentials in one jurisdiction, giving the applicant freedom of interstate travel without the inconvenience and expense of purchasing trip permits.

Strengths

- Houston RSC started the process of obtaining additional parking spaces for employees to ease customer parking limitations.
- Both the Houston and Dallas RSCs established a triage and information desk to assist customers to limit the customer's waiting time.
- The employees at the Abilene RSC encouraged all customers to provide customer feedback and directed customers to the customer feedback touchscreen tablet.
- The employees at the El Paso RSC took time to explain the bonded title process to customers and provided customers with clipboards to complete bonded title applications.
- All RSCs provided extra assistance to customers with language barriers.

Audit Engagement Team

The audit was performed by Jason E. Gonzalez (Principal Internal Auditor), Angel Flores (Principal Internal Auditor), Sonja Murillo (Senior Internal Auditor), Frances Barker (Internal Auditor), Hugo Quiñones (Internal Audit Intern), and Salem Chuah (Internal Audit Director).

Audit Results

Audit Results #1: While the Department established review processes for bonded titles, there are opportunities to automate and improve controls to ensure verification steps are performed.

Bonded Title Applications. The Department reviews an applicant's bonded title application and performs verification in various systems to ensure eligibility for a bonded title. In 15 (17 percent) of 90 bonded title applications (application form), the Department did not ensure that applications were completed in its entirety. For example, applications were missing complete vehicle information, did not have all application questions answered, or did not have the Department's "PAID" stamp affixed to the application form.

Bonded Title Verifications. Auditors observed that in 30 (41 percent) of 73 bonded title applications, driver licenses were not verified in the Driver License Image Retrieval (DLIR) System when applicable. Additionally, 45 (49 percent) of 92 bonded title applications excluded the applicable system and platform (system) verifications (see **Figure 3**). The system verifications are not performed uniformly among RSC employees at the four RSCs.

Figure 3: Bonded Title Application and Verification Systems

A section of the bonded title application form:

TxDMV Department Use Only				
TxDMV Representative	Date	MVDI checked? ☐ Yes ☐ No	Texas record found? ☐ Yes ☐ No	If no Texas record, STOLEN checked? ☐ Yes ☐ No
If no Texas record, ISO Claim Search (VIN decoding) checked? ☐ Yes ☐ No		If no Texas record, was VTR-68-A provided? ☐ Yes ☐ No		Is there a lien less than 10 years old? ☐ Yes ☐ No
NMVTIS checked? ☐ Yes ☐ No	NMVTIS brands found? ☐ None ☐ Salvage ☐ Junk ☐ Flood Damage ☐ Replica ☐ Rebuilt Salvage ☐ Reconstructed ☐ Manufacturer's Buyback ☐ Other:			
TxDMV $15 receipt for administrative processing fee provided? ☐ Yes ☐ No		VTR-130-ND with surety responsibility statements? ☐ Yes ☐ No		
Vehicle Value Established by: ☐ SPV ☐ Guide ☐ Appraisal ☐ 25+ years old	Vehicle Value $		Bond Amount (vehicle value x 1.5) $	
VTR-130-SOF Rev 03/20	Form available online at www.TxDMV.gov			Page 2 of 2

Verification Systems
Driver License Image Retrieval System
Motor Vehicle Database Inquiry
OLDi Lookup System
National Motor Vehicle Title Information System
Stolen Check

Applicants must complete page 1 of the bonded title application form to continue the process of obtaining a bonded title. After obtaining the completed bonded title application form, RSC employees review the application and conduct verification checks to ensure bonded title eligibility. Based on the Department's Regional Services Section (RSS) Manual, checks include verifying Texas driver licenses through DLIR, reviewing system records for disqualifying brands such as salvaged vehicles, and lien information. When verification steps have been completed, the RSC employee should affix a "PAID" stamp to the application form so that the applicant can take this completed form to continue the bonded title process.

While the review processes are defined for evaluating bonded title applications with the "Department Use Only" section in the application form guiding RSC employees on the

verification steps that should be performed, the Department has not developed a monitoring process to ensure uniformity in ensuring the completion of the application form.

The Regional Services Section manual requires RSC employees to research the vehicle's history through multiple systems including ISO ClaimSearch. However, the bonded title application states that an ISO ClaimSearch is only required if a Texas record is not found in the MVDI system. This discrepancy could cause confusion among RSC employees and be the source of inconsistency when verifying vehicle history.

Also, the verification checks through various systems are accessed outside of the Registration and Title System (RTS) and are not integrated within RTS itself. As a result, there is no log that tracks the verification procedures or certainty that applicable systems have been checked for each bonded title application. This increases the risk of allowing vehicles that are not eligible for a bonded title to receive one.

Bonded Title Process. A bonded title establishes vehicle ownership for vehicles purchased without a title. To obtain a bonded title, applicants must go to an RSC, a surety bond company, and a Tax Assessor Collector's office (TAC) (see **Figure 4**).

Figure 4: Bonded Title Process
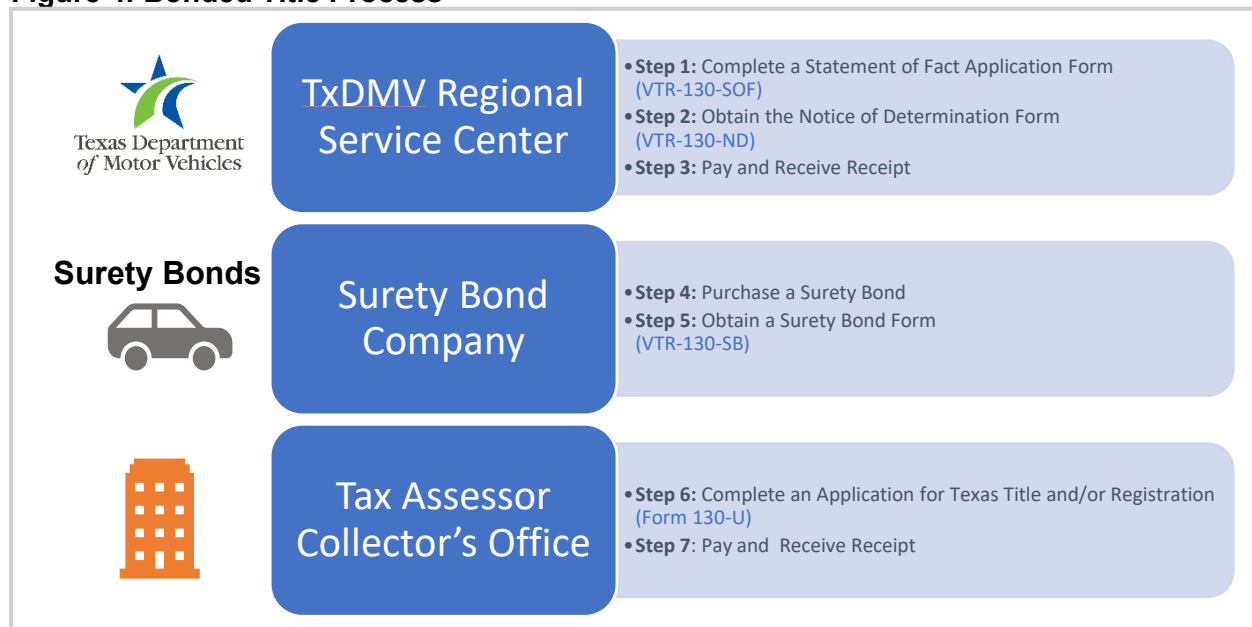
The first step of the bonded title process is an applicant completing an application form at an RSC where RSC employees perform various verification checks as mentioned. The applicant receives a notice of determination form and obtains a surety bond with a surety bond form. Then, the applicant goes to their local TAC for the final processing stage. The TAC relies on the paper forms and authorizations received from the applicant to continue processing the bonded title transaction. Specifically, the TAC ensures that the "PAID" stamp is affixed to the application form and validates the name and signature of the RSC employee in the "Department Use Only" section as this demonstrates the applicants' vehicle is eligible for a bonded title. This current control can be further strengthened to ensure that applicants have been, in fact, vetted by the RSCs.

The Committee of Sponsoring Organizations of the Treadway Commission (COSO) established a framework for five integrated components of internal control. COSO defines internal control as a process designed to provide reasonable assurance regarding the achievement of objectives. Control activities are performed at all levels of the entity, at various stages within business processes, and over the technology environment. Controls can include transaction authorizations, which affirm that a transaction is valid (i.e., it represents an actual event or is within an entity's policy).

The Department's current control of review and approval of a bonded title application is documented on the application form and returned to the applicant. This process does not ensure that transactions brought to the TAC can be traced back to, or verified back to, the original transaction and verifications performed at the RSCs. TACs do not need to lookup receipt numbers in RTS to continue the bonded title transaction.

Transaction control activities could be enhanced to provide TACs with greater assurance that applications have been reviewed and verified for eligibility by an RSC. For example, bonded title approvals from the RSCs could be better tracked in RTS. In this method, the applicant would take the receipt (instead of the application form) along with the surety bond form to the TAC. Alternatively, the Department could also implement an electronic application form and process for bonded titles. In both cases, a receipt (hardcopy or electronic) can be taken by the applicant to the TAC and the TAC could then look up the transaction number from the receipt to continue the bonded title process. This process would take out the reliance on paper documentation from applicants, create a trail of the transaction that can be traced to the verification performed at the RSCs, and ensure the integrity of documentation, verification, and approvals.

Recommendations

1. The Department should conduct refresher trainings for Regional Service Center (RSC) employees on bonded title processes and tailored trainings for RSCs on a periodic basis to ensure uniformity in practices across RSCs.

2. As part of the Department's modernization efforts of the Registration and Title System, the Department should consider implementing automatic validation mechanisms and/or system integrations (e.g., Driver License Image Retrieval, Motor Vehicle Database Inquiry, National Motor Vehicle Title Information System, etc.) to decrease the manual identify validation processes currently in place for bonded title applications. The Department should also ensure that there are audit logs of these verification checks.

3. As part of the Department's modernization efforts of the Registration and Title System, the Department should implement processes to reduce the risk of fraud by ensuring that Tax Assessor Collector offices (TACs) have a verification function to ensure that applicants have gone through the processes at the Department's Regional Service Centers.

4. As part of the Department's modernization efforts of the Registration and Title System, the Department should consider creating an electronic form of the bonded title application. This would result in flexibility for Department staff and increase accessibility with customers.

Audit Results #2: The Department's Regional Service Center employees are assigned correct permission levels to the Registration and Title System based on areas of responsibility, but the Department should set schedules to periodically review those permission levels and ensure employees complete required trainings.

RTS Permission Levels. The Department uses RTS to record title and registration transactions and provides access and sets permission levels to RSC employees based on job classification and areas of responsibility. The Department generally assigned correct permission levels or had proper enhanced permission levels based on VTR management approval (see **Figure 5**). Only 1 (2 percent) of 62 RSC employees had enhanced permission levels that did not receive prior approval.

Figure 5: Permission Levels
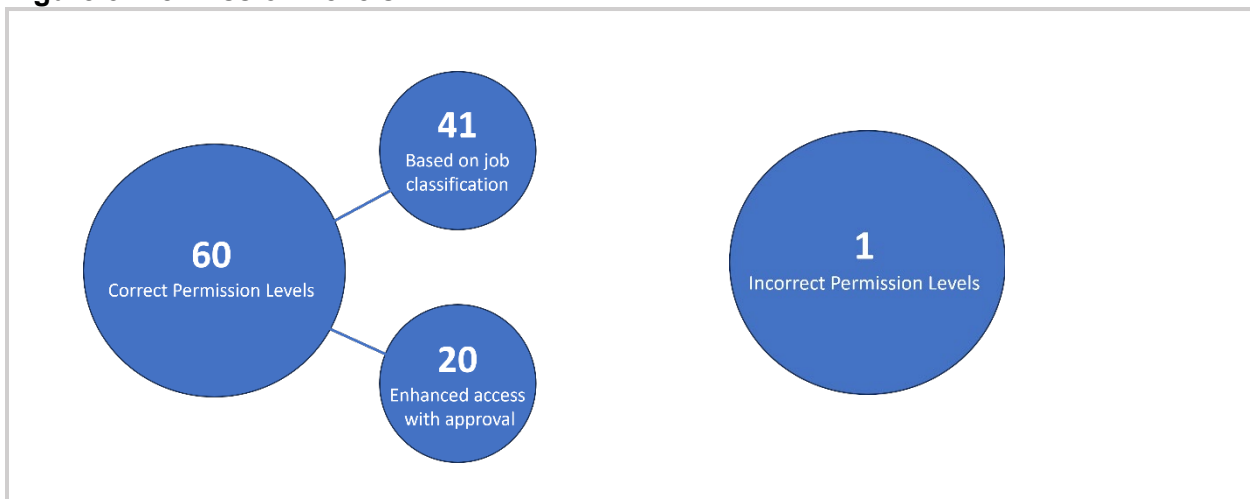
The Department's RSS Manual defines security permissions for RSC employees based on the employee's job classification and areas of responsibility. Also, the Department's Information Security Manual requires system owners to review access lists based on documented risk management decisions and to approve, justify, document, and account for exceptions to security controls.

While the Department has defined security permissions and established system owner responsibilities, VTR RSC management does not conduct analysis on security permissions already granted to existing employees.

RTS Access. Auditors obtained RTS access report for employees in the four RSCs within the audit scope and found 84 users. This user count is higher than the 62 RSC employee count because certain users, like the Assistant Section Directors, are assigned to each RSC. While the Department's removal of Active Directory access prevents access to RTS, 6 (7%) of 84 users could not be identified as current employees and should be removed from RTS. According to ITSD, resource limitations have impacted their ability to routinely review system access.

According to the National Institute of Standards and Technology (NIST) organizations should review and update access controls. Further, the concept of least privilege refers to granting

users only those accesses required to perform their duties. Overseeing and reviewing the level of access for each user limits potential unauthorized activities.

Training. Most RSC employees took the required training based on their classification. There were 7 (11 percent) of 62 employees that were missing some training courses listed as required in the RSS Manual. The Department transitioned to a new learning management system for courses related to RTS in summer 2021 and tracks non-RTS training in the Department's LMS365 training platform. Training courses are important to ensure alignment in practices for all employees.

Recommendations

5. The Department should ensure that only active employees are included in the Registration and Title System and grant users only the access privileges required for their job responsibilities.

6. The Department should ensure that employees are taking all required training prior to accessing the Registration and Title System.

Audit Results #3: The Department conducts customer satisfaction surveys from the Regional Service Centers through various methods, but improvements can be made to the collection method and evaluation of customers' feedback.

RSC employees primarily serve customers in-person at one of the 16 RSCs or over the phone. As part of continuous improvement, RSCs collect feedback on customers' experience in a post-call survey or an in-person survey through a tablet or QR code at the RSC. Customers provide their feedback by selecting from five ratings ranging from "1-very dissatisfied" to "5-very satisfied." As seen in **Figure 6** below, the customer satisfaction surveys ask customers three or four questions.

Figure 6: Post-Call and In-Person Survey Questions

Post-Call Phone Survey	In-Person QR Code or Tablet Survey
Please rate your overall satisfaction with the Texas Department of Motor Vehicles.	Please rate your experience today.
Please rate your satisfaction with the timeliness of the services you received.	Please rate your satisfaction with the timeliness of the services you received.
Please rate the accuracy of the information you received.	Please rate the accuracy of the information you received.
Please rate your experience with your Customer Service Representative.	

In fiscal year 2023, RSCs collectively served 335,702 customers by phone and 755,235 customers in person. The overall survey participation rate is 0.35% and 11%, respectively (see **Figures 7** and **8**). The average wait time for in person transactions is 39.5 minutes (see **Figure 9**).

Figure 7: **FY2023 Customers Served by Phone with Survey Participation Rate and Satisfaction Rating**

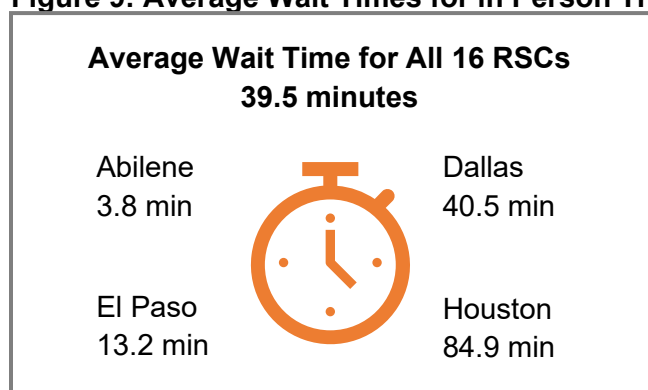| Location	Customers Served	Surveys Taken	Participation Rate (%)	Satisfaction Rating	Satisfaction Rating (converted to a %)
Abilene	7,669	25	0.33%	4.3	86%
Dallas	34,168	69	0.20%	3.8	76%
El Paso	24,840	36	0.14%	4.3	86%
Houston	32,877	130	0.40%	3.8	76%
All Others	236,148	919	0.39%	4.5	90%
Total	335,702	1,179	0.35%	3.9	78%

Figure 8: FY2023 Customers Served in Person with Survey Participation Rate and Satisfaction Rating

Location	Customers Served	Surveys Taken	Participation Rate (%)	Satisfaction Rating (converted to score)	Satisfaction Rating (%)
Abilene	11,037	1,464	13%	4.9	97%
Dallas	115,376	8,303	7%	3.7	73%
El Paso	58,037	29,285	50%	4.5	89%
Houston	123,438	1,425	1%	2.3	46%
All Others	447,347	45,182	10%	4.6	91%
Total	755,235	85,659	11%	4.4	88%

Figure 9: Average Wait Times for in Person Transactions

**Average Wait Time for All 16 RSCs
39.5 minutes**

Abilene
3.8 min

Dallas
40.5 min

El Paso
13.2 min

Houston
84.9 min

Post-Call Surveys. After an RSC employee provides services to a customer over the phone, the customer has the option to take a four-question survey after the call. While the post-call surveys allow customers to provide feedback for the services they received, the phone calls are not recorded, preventing management from evaluating RSC employees' performance and providing quality assurance on the information provided to customers.

Other Department divisions such as the Motor Carrier Division (MCD) and the Consumer Relations Division (CRD) record the phone calls by their employees as a measure to ensure objectives are being met. By recording the phone calls, MCD and CRD management can conduct quality assurance reviews by listening to calls based on positive or negative post-call survey scores and provide employees with feedback to improve the customer experience.

Management stated during the implementation of post-call surveys that adding the feature to record phone calls was not included in the budget. However, there are now plans to record the calls in the future.

In-Person Survey Through Tablets or QR Code. Tablets used to collect customer survey responses were implemented in each RSC during 2019. Surveys accessible through a QR code were then added to each RSC in March 2023. Management stated that QR codes were implemented to capture more customer responses. While this is an improvement from the tablet survey method, surveys can be taken multiple times through the QR code by the same individual. Further, the results of the survey from the QR code do not identify the RSC employee who provided the service, preventing recognition or training opportunities for employees.

According to the COSO framework, the ability to generate quality information begins with the data sourced. The quality of information depends on various factors, such as whether the information is sufficient, timely, valid, and verifiable. For instance, with the RSC survey being accessible through a tablet or QR code, the validity and verifiability of the survey responses could be questioned, since the survey can be taken multiple times by the same person and by those who are not a party to the services being rendered.

Recommendations

7.   The Department should record customer phone calls from Regional Service Center employees. It should also perform quality assurance reviews on the calls by setting up a risk-based methodology to review and evaluate the performance of its employees.

8.   The Department should ensure that surveys accessible through a QR code can only be taken once by each device. Also, as part of the Department's modernization efforts of the Registration and Title System, the Department should consider adding a QR code for customer surveys on transaction receipts. The QR code on receipts should expire after a pre-defined period, be taken only once, and have metadata that the customer does not fill out which ties to a Customer Service Representative, transaction type, time of transaction, etc.

Observation #1: Surveyed Customers Provided High Satisfaction Ratings for the Regional Service Centers

Auditors conducted a customer satisfaction survey while visiting each of the RSCs (see **Appendix 3** and **5**). A total of 136 total customers completed the survey, though customers may not have answered every survey question. The survey consisted of ten questions with four questions asking customers to provide a rating between "1-very dissatisfied" to "5-very satisfied." It is important to note that the results were obtained at a point in time and may not be representative of all customers.

Overall satisfaction. The RSCs had overall satisfaction ratings ranging from 4.0 to 5.0 (**Figure 10**). The Abilene RSC was rated a 5.0 for each of the four rating questions for an overall perfect score. As seen in **Figure 9** earlier in the report, Abilene had an average wait time of 3.8 minutes, which is much shorter when compared with Dallas at 40.5 minutes, Houston at 84.9 minutes, and El Paso at 13.2 minutes. This could be a driving factor behind Abilene's high rating.

Timeliness of service. The Dallas and Houston RSCs both received a rating of 3.9 for timeliness of service (**Figure 11**) with the Abilene and El Paso RSCs receiving scores of 5.0 and 4.5, respectively. Timeliness could have been rated lower for the Dallas and Houston RSCs because these two locations serve the most customers in person when compared with all other RSCs.

Experience with Customer Service Representative. Customers collectively scored their experience with the Customer Service Representatives (CSRs) at the RSCs with ratings from 4.4 to 5.0 (**Figure 12**). Customers have stated that the CSRs explained processes well and that the CSRs were knowledgeable and kind.

Satisfaction of Facility. The RSCs received ratings ranging from 3.7 to 5.0 for the facility which includes location, parking, waiting space, and restrooms (**Figure 13**). The Houston RSC had the lowest rating of 3.7 while Abilene had the highest rating of 5.0. The parking at the Houston RSC is limited, which could be one of the factors contributing to the lower rating.

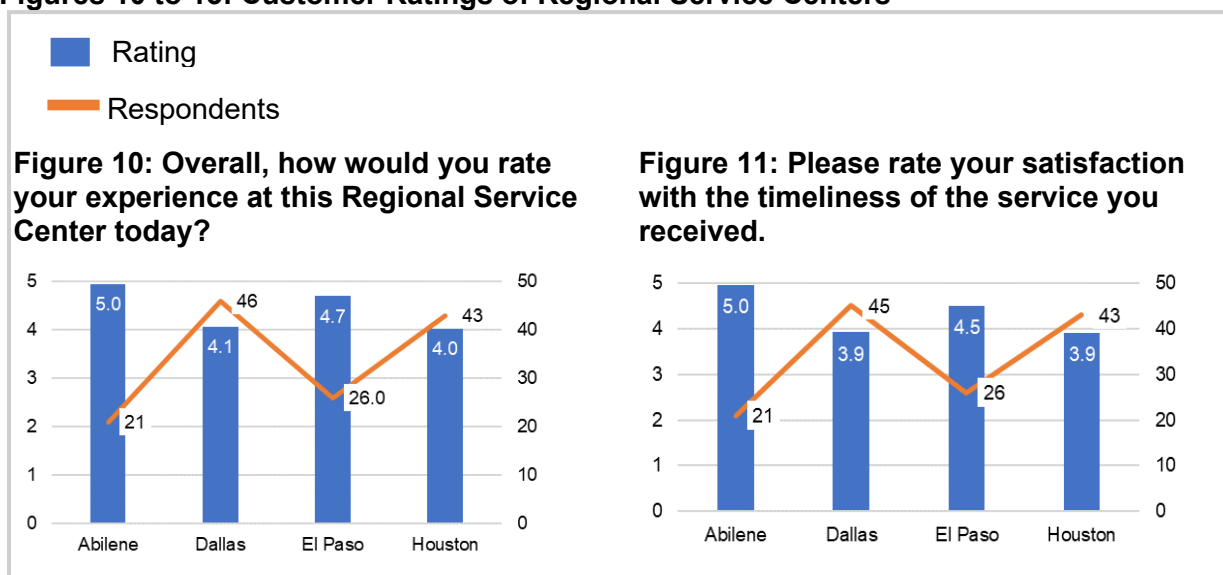**Figures 10 to 13: Customer Ratings of Regional Service Centers**

Figure 10: Overall, how would you rate your experience at this Regional Service Center today?

Figure 11: Please rate your satisfaction with the timeliness of the service you received.

Figure 12: Please rate your experience with your Customer Service Representative.
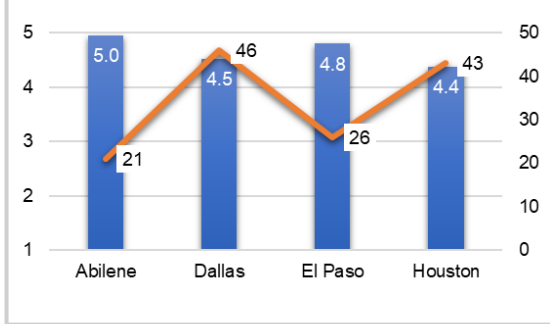
Figure 13: Please rate your satisfaction at our facility (location, parking, waiting space, restrooms, etc.)?
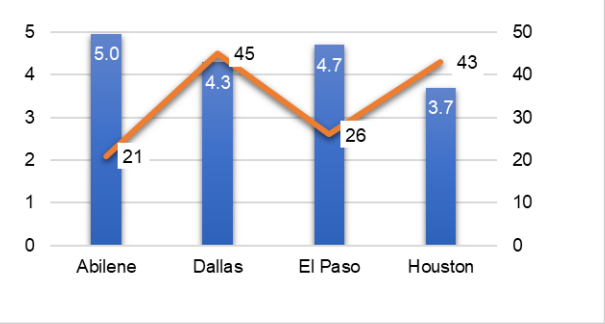
Also, auditors asked customers what zip code they were coming from and calculated the average and the median. As shown in **Figure 14**, the average mileage traveled was the greatest for Abilene RSC customers at 77.0 miles compared with the Dallas RSC customers who traveled on average the least amount at 24.4 miles. When looking at the median, El Paso customers traveled the least at 11.2 miles and Abilene RSC customers traveled from the greatest distance at 45.7 miles.

Figure 14: Average and Median Miles Traveled by Surveyed Customers

Location	Total Respondents	Average # of miles from the RSC	Median # of miles from the RSC
Abilene	21	77.0	45.7
Dallas	44	24.4	24.1
El Paso	25	32.8	11.2
Houston	42	25.6	20.5
Overall	**132**	**35.2**	**22.3**

Observation #2: Regional Service Center Employees' Scoring of the Current Culture Closely Aligns with their Preferred Culture

Organizational culture can be defined as the group or collection of beliefs, assumptions, values, norms, and actions, shared by all members of an organization. Diagnosing organizational culture is considered to be the first step to initiating culture change within an organization.

The Organizational Culture Assessment Instrument (OCAI) was developed by two professors from the University of Michigan and has been used by various organizations. It is used as a tool for helping organizations identify and understand its culture. With this understanding, organizations can implement changes that ultimately enhance organizational performance.

OCAI is a questionnaire that has respondents score six dimensions of culture. Each dimension consists of four statements, one for each culture type. Respondents divide a score of 100 among the four statements for each of the six dimensions, first for how they view the organization and then again for how they prefer the organization to be (see **Appendix 4** for full OCAI questionnaire). The four culture types are:

- **Clan:** A collaborative workplace where people are friendly and share a lot of themselves. There is high commitment, consensus, and emphasis on teamwork.
- **Adhocracy:** A creative, dynamic, and entrepreneurial workplace. The organization is nimble and can adapt quickly to changes.
- **Hierarchy:** A controlled, formalized, and structured workplace. There are clear chains of command for decision-making and procedures that govern activities.
- **Market:** A competitive and results-oriented workplace. The organization focuses on the external environment and strives for production and reaching goals.

Questionnaire methodology. Auditors emailed the OCAI questionnaire to all 64 RSC employees as of August 30, 2023 in Abilene, Dallas, El Paso, and Houston and received 21 (33 percent) valid responses. While over 21 responses were received, many were invalid because the responses were not completed in their entirety or had scores that did not equal 100 which would skew results. With the limited response rate, only one collective profile was created for all four RSCs instead of individual results for each RSC. As such, results should be taken with consideration of these circumstances.

RSC questionnaire results. Overall, the results of the questionnaire showed that RSC employees' perception of the current culture versus their preferred culture are very similar as shown in **Figures 15** and **16** below. This indicates that overall employee's needs are being met and with a few slight adjustments to the current culture, the organization can achieve an environment that cultivates trust, creativity, provides support and acknowledges hard work all while meeting goals and providing great customer service.

Figure 15: Organizational Culture Assessment Instrument Questionnaire Results (Chart)
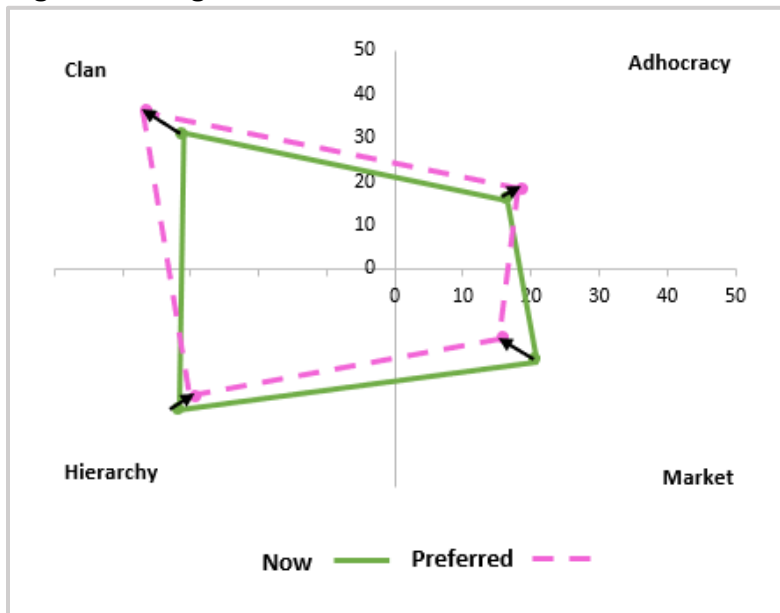

Figure 16: **Organizational Culture Assessment Instrument Questionnaire Results (Points)**

Category	Now	Preferred	Difference
Clan	30.9	36.5	5.6
Adhocracy	16.7	18.7	2.0
Market	20.9	15.4	-5.5
Hierarchy	31.5	29.4	-2.1

What employees want more of. As shown in **Figure 15**, RSC employees would prefer the clan culture to be 5.6 points **higher** than where it currently stands. Management can place an emphasis on promoting teamwork and participation in the workplace. Creating a support system and recognizing team players could help increase morale and trust levels. Management can also provide employees with more opportunities to self-manage.

RSC employees also want more of the adhocracy culture as the preferred score is 2 points **higher** than the current score. Management can encourage employees to take risks and celebrate creative alternatives and innovation. This will guide the organization to become more forward thinking and create innovative programs paving the way for a clearer vision for the future.

What employees want less of. RSC employees want the market culture to be 5.5 points **lower** than where it currently stands. This is an indicator that management could slightly shift their emphasis on driving for strictly numbers. Management could motivate its employees to meet key goals and adapt to the human element of the organization as well as market needs.

Lastly, RSC employees want the hierarchy culture to be demonstrated less, as the preferred rating for this culture type is 2.1 points **less** than the current rating. This could indicate that employees would like management to get rid of outdated rules and procedures and unnecessary reports and paperwork. There could perhaps be more delegation and less of formal sign offs to reduce constraints and the feeling of restriction by employees.

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

Objectives

The objectives of this audit were to determine whether Regional Service Centers (RSCs) process transactions uniformly, to determine whether RSCs process transactions uniformly, and to assess the culture at selected RSCs.

Scope and Methodology

The scope of the audit included bonded title transactions from September 2022 to December 2023 and the Abilene, Dallas, El Paso, and Abilene RSCs.

Methodology in this audit included the following for the RSCs within audit scope:

- Interviewed Vehicle Titles and Registration (VTR) division senior management.
- Interviewed RSC management and customer service representatives.
- Developed a bonded title application flowchart.
- Selected a sample of 90 bonded title transactions in the Department's FileNet data management system to ensure title transactions were accurately completed.
- Observed 92 bonded title applications to ensure processes were followed.
- Obtained Department's active employee list and reconciled that listing to the access reports from the Department's Registration and Title System.
- Surveyed Department customers.
- Interviewed the Department's Motor Carrier Division and Customer Relations Division to understand phone survey processes.
- Administered the Organizational Culture Assessment Instrument (OCAI) questionnaire to RSC employees.
- Reviewed the 2022 Survey of Employee Engagement (SEE) Results for all RSCs.
- Reviewed the VTR Regional Managers Manual.
- Reviewed the VTR Regional Services Section Manual.
- Reviewed the VTR Motor Vehicle Title Manual.
- Reviewed the National Institute of Standards and Technology Policies on Access Controls.
- Reviewed the Department's Information Security Manual.
- Reviewed Department's Human Resources Manual.
- Reviewed the Organizational Culture Assessment Instrument (OCAI) research methods and cultural assessment survey tools.

This audit was included in the FY2023 Second Six Month Internal 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.

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.

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, the Enterprise Risk Management (ERM) Maturity Model, and the ISACA Maturity Model. The model was adapted for 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 1.

Table 1. Maturity Assessment/Process Capability Rating Definitions

Rating	Name	Definition
1	Minimal	The function may have policies and procedures established for some activities but relies on intuition and handles issues on an ad-hoc basis.
2	Informal and Reactive	The function achieves its purpose with basic processes and activities that are not very organized or followed.
3	Established	The function achieves its purpose in an organized way, following established processes, but those processes may not be consistently followed or well communicated.
4	Predictable	The function fully achieves its purpose, is well-defined, and its performance is quantitatively measured. The function is fully integrated within the Department, the function has full resources to achieve business objectives, and policies and procedures are regularly improved.
5	Optimized	The function fully achieves its purpose, is well-defined, and its performance is quantitatively measured. There is continuous improvement that is pursued, and technology is heavily leveraged to automate workflow and improve quality and effectiveness of processes.

Appendix 2: Management Response and Action Plan

The Vehicle Titles and Registration division provided the following response:

Recommendation	Responsible Department and Section/Unit	Department Response	Completion Date
1. The Department should conduct refresher trainings for Regional Service Center (RSC) employees on bonded title processes and tailored trainings for RSCs on a periodic basis to ensure uniformity in practices across RSCs.	Vehicle Titles and Registration Division, RSS Training Committee, RSS Manual Committee QA/Training Team, and RSC managers	The department agrees with the recommendation and intends to update the Bonded Title training process and establish a schedule to conduct annual refresher and tailored training for all RSC staff to ensure uniformity in practices across RSCs. Additionally, the department will review and update the current Bonded Title process in the Regional Services Section (RSS) Manual to ensure all steps in the manual are necessary and provide the intended outcome. RSS will also ensure any obsolete steps are removed.	July 1, 2024
2. As part of the Department's modernization efforts of the Registration and Title System, the Department should consider implementing automatic validation mechanisms and/or system integrations (e.g., Driver License Image Retrieval, Motor Vehicle Database Inquiry, National Motor Vehicle Title Information System, etc.) to decrease the manual identify validation processes currently in place for bonded title applications. The Department should also ensure that there are audit logs of these verification checks.	Vehicle Titles and Registration Division, RTS Modernization and Ecosystem Replacement project ESC VTR member	The department agrees with the recommendation and will create an IT request ticket to review this process during the upcoming Registration & Title System (RTS) Replacement and Ecosystem Modernization project. The department will create a ticket, indicating it as an audit-identified recommendation, to log and request evaluation and consideration within the project scope. It should be noted that 100% reductions in this manual effort will require collaboration and system integration of vital and highly secure systems from other agencies such as the Department of Public Safety's DLIR system. This type of system integration may not be possible due to the sensitive nature of the data in these systems.	March 1, 2024
3. As part of the Department's modernization efforts of the Registration and Title System, the Department should implement processes to reduce the risk of fraud by ensuring that Tax Assessor Collector offices (TACs) have a verification	Vehicle Titles and Registration Division, RTS Modernization and Ecosystem Replacement	The department agrees with the recommendation and will create an IT request ticket to review this process during the upcoming RTS Replacement and Ecosystem Modernization project. The department will create a ticket, indicating it as an audit-identified recommendation, to log and request evaluation and consideration within the project scope.	July 1, 2024

Recommendation	Responsible Department and Section/Unit	Department Response	Completion Date
function to ensure that applicants have gone through the processes at the Department's Regional Service Centers.	project ESC VTR member		
4. As part of the Department's modernization efforts of the Registration and Title System, the Department should consider creating an electronic form of the bonded title application. This would result in flexibility for Department staff and increase accessibility with customers.	Vehicle Titles and Registration Division, RTS Modernization and Ecosystem Replacement project ESC VTR member	The department agrees with the recommendation and will create an IT request ticket to review this process during the upcoming RTS Replacement and Ecosystem Modernization project. The department will create a ticket, indicating it as an audit-identified recommendation, to log and request evaluation and consideration within the project scope.	March 1, 2024
5. The Department should ensure that only active employees are included in the Registration and Title System and grant users only the access privileges required for their job responsibilities.	Vehicle Titles and Registration Division, RSC managers and RSS Director / Assistant Directors	The department agrees with the recommendation and will collaborate with the Information Technology Services Division (ITSD) and/or other system administrators to establish a process for a periodic review of access privileges, ensuring all updates or access terminations were completed during staff exit/transfer processes.	July 1, 2024
6. The Department should ensure that employees are taking all required training prior to accessing the Registration and Title System.	Vehicle Titles and Registration Division, RSC managers and RSS Director / Assistant Directors	The department agrees with the recommendation; however, it should be noted that technology limitations such as disabled access to legacy systems and errors in the current system, created complications. Considering this, the department will collaborate with ITSD to locate legacy data and also review and enhance its internal tracking and verification process.	January 1, 2025

Recommendation	Responsible Department and Section/Unit	Department Response	Completion Date
7. The Department should record customer phone calls from Regional Service Center employees. It should also perform quality assurance reviews on the calls by setting up a risk-based methodology to review and evaluate the performance of its employees.	Vehicle Titles and Registration Division, Call Center Replacement ESC VTR member	The department agrees with the recommendation and is currently working on the implementation of this functionality as part of the Call Center Replacement project that is currently underway.	January 1, 2025
8. The Department should ensure that surveys accessible through a QR code can only be taken once by each device. Also, as part of the Department's modernization efforts of the Registration and Title System, the Department should consider adding a QR code for customer surveys on transaction receipts. The QR code on receipts should expire after a pre-defined period, be taken only once, and have metadata that the customer does not fill out which ties to a Customer Service Representative, transaction type, time of transaction, etc.	Vehicle Titles and Registration Division, RTS Modernization and Ecosystem Replacement project ESC VTR member and RSS Director	The department agrees with the recommendation of a QR code-type mechanism for surveys and will engage the current queuing system vendor to identify if any portions of the recommendation can be accommodated currently and, if possible, implement these items. Additionally, the department will create an IT request ticket to review this process during the upcoming RTS Replacement and Ecosystem Modernization project. The department will create a ticket, indicating it as an audit-identified recommendation, to log and request evaluation and consideration within the project scope.	July 1, 2024

Appendix 3: Customer Satisfaction Survey Questions

Auditors administered the following survey at the Regional Service Centers.

Customer Satisfaction Survey
The Internal Audit Division at the Texas Department of Motor Vehicles is conducting an audit of selected Regional Service Centers. Feel free to add commentary for the questions, if desired.

THANK YOU for your time in completing this 10-question survey!

1. **Were you here at the Regional Service Center to complete a transaction for yourself?**
   a. Yes
   b. No – please tell us who you were here on behalf of:

   _____

2. **What zip code are you coming to us from today?**

   _____

3. **What did you want to get accomplished at our Regional Service Center today? (please circle one)**
   a. Certified Copy of Original Title
   b. Bonded Title
   c. International Registration Plan
   d. Other (please write in):

   _____

4. **Were you able to accomplish your goal today?**
   a. Yes
   b. No

5. **Overall, how would you rate your experience at this Regional Service Center today?**

   1 - Very dissatisfied
   2 - Dissatisfied
   3 - Neither dissatisfied nor satisfied
   4 - Satisfied
   5 - Very satisfied

6. **Please rate your satisfaction with the timeliness of the service you received.**

   1 - Very dissatisfied
   2 - Dissatisfied
   3 - Neither dissatisfied nor satisfied
   4 - Satisfied
   5 - Very satisfied

7. **Please rate your experience with your Customer Service Representative.**

   1 - Very dissatisfied
   2 - Dissatisfied
   3 - Neither dissatisfied nor satisfied
   4 - Satisfied
   5 - Very satisfied

8. **Please rate your satisfaction at our facility (location, parking, waiting space, restrooms, etc.)?**

   1 - Very dissatisfied
   2 - Dissatisfied
   3 - Neither dissatisfied nor satisfied
   4 - Satisfied
   5 - Very satisfied

9. **What did we do well today? Please write below.**

10. **What can we do to improve your experience? Please write below.**

Appendix 4: Organizational Culture Assessment Instrument Questionnaire

The Organizational Culture Assessment Instrument questionnaire asks respondents to score six dimensions of culture. Each dimension consists of four statements, one for each culture type (clan, adhocracy, hierarchy, and market). Respondents divide a score of 100 among the four statements for each of the six dimensions, first for how they view the organization and then again for how they prefer the organization to be.

Dimension 1: Dominant Characteristics	Now	Preferred
A) The organization is a very personal place. It is like an extended family. People seem to share a lot of themselves.		
B) The organization is a very dynamic place. People are willing to stick their necks out and take risks.		
C) The organization is very results oriented. A major concern getting the job done. People are very competitive and achievement oriented.		
D) The organization is a very controlled and structured place. Formal procedures generally govern what people do.		

Dimension 2: Organizational Leadership	Now	Preferred
A) The leadership in the organization is generally considered to exemplify mentoring, facilitating, or nurturing.		
B) The leadership in the organization is generally considered to exemplify entrepreneurship, innovating, or risk taking.		
C) The leadership in the organization is generally considered to exemplify a no-nonsense, aggressive, results-oriented focus.		
D) The leadership in the organization is generally considered to exemplify coordinating, organizing, or smooth-running efficiency.		

Dimension 3: Management of Employees	Now	Preferred
A) The management style in the organization is characterized by teamwork, consensus, and participation.		
B) The management style in the organization is characterized by individual risk-taking, innovation, freedom, and uniqueness.		
C) The management style in the organization is characterized by hard-driving competitiveness, high demands, and achievement.		
D) The management style in the organization is characterized by security of employment, conformity, predictability, and stability in relationships.		

Dimension 4: Organizational Glue	Now	Preferred
A) The glue that holds the organization together is loyalty and mutual trust. Commitment to this organization runs high.		
B) The glue that holds the organization together is commitment to innovation and development. There is an emphasis on being on the cutting edge.		
C) The glue that holds the organization together is the emphasis on achievement and goal accomplishment. Aggressiveness and winning are common themes.		
D) The glue that holds the organization together is formal rules and policies. Maintaining a smooth-running organization is important.		

Dimension 5: Strategic Emphases	Now	Preferred
A) The organization emphasizes human development. High trust, openness and participation persist.		
B) The organization emphasizes acquiring new resources and creating new challenges. Trying new things and prospecting for opportunities is valued.		
C) The organization emphasizes competitive actions and achievement. Hitting stretch markets and winning in the marketplace are dominant.		
D) The organization emphasizes permanence and stability. Efficiency, control, and smooth operations are important.		

Dimension 6: Criteria of Success	Now	Preferred
A) The organization defines success on the bases of the development of human resources, teamwork, employee commitment, and concern for people.		
B) The organization defines success on the basis of having the most unique or newest products. It is a product leader and innovator.		
C) The organization defines success on the basis of winning in the marketplace and outpacing the competition. Competitive market leadership is key.		
D) The organization defines success on the basis of efficiency. Dependable delivery, smooth scheduling and low-cost production are critical.		

Appendix 5: Additional Information

Table 1: Fiscal Year 2023 Statistics by Regional Service Centers

Location	Customers Served in Person	Customers Served by Phone	Total Transactions
Houston	123,438	7,669	118,271
Dallas (Carrollton)	115,376	11,680	103,555
Fort Worth	79,105	20,042	68,171
San Antonio	77,090	13,855	63,471
Austin	58,489	12,029	41,349
El Paso	58,037	34,168	26,983
Pharr	55,389	24,840	35,724
Longview	30,638	23,323	21,902
Odessa	28,609	32,877	28,726
Beaumont	25,831	16,556	17,671
Waco	25,534	28,578	21,142
Amarillo	20,528	6,008	12,528
Corpus Christi	17,939	29,276	19,476
Lubbock	17,933	35,342	14,065
Abilene	11,037	22,469	10,825
Wichita Falls	10,262	16,990	220,302
Total	**755,235**	**335,702**	**824,161**

Table 2: Were you here at the Regional Service Center to complete a transaction for yourself? (Customer Response to Survey)

Location	Yes	No
Abilene	17	4
Dallas	39	7
El Paso	17	9
Houston	33	10

Table 3: What did you want to get accomplished at our Regional Service Center today? (Customer Response to Survey)

Location	Certified Copy of Original Title	Bonded Title	International Registration Plan	Other
Dallas	28	7	5	6
Houston	31	11	3	4
Abilene	15	4	2	
El Paso	8	4	7	7

Table 4: Were you able to accomplish your goal today? (Customer Response to Survey)

Location	Yes	No
Abilene	16	5
Dallas	36	10
El Paso	14	12
Houston	38	5

Table 5: What did we do well today? (Customer Response to Survey)

Location	Customer Service	Wait Time	Overall Experience	Other
Abilene	15	4	3	1
Dallas	20	8	5	1
Houston	21	9	3	1
El Paso	21	9	3	1

Note that if a customer feedback count be counted more than once if they provided feedback that relate to more than one category.

Examples of customer feedback related to Table 4 include:
- **Customer Service:** "Good customer service," "Well done to all the clerks and management." "[Customer Service Representatives] got things done."
- **Wait Time:** "Nice and quick," "Speedy," and "Was quicker than other times."
- **Overall Experience:** "Everything was good."
- **Other: "**Appointment[s] are awesome," "Parking, restrooms, easy to get a ticket.."

Table 6: What can we do to improve your experience? (Customer Response to Survey)

Location	Wait Time	Customer Service	Other
Abilene			4
Dallas	10	4	5
Houston	11	6	16
El Paso	2	4	6

Note that if a customer feedback count be counted more than once if they provided feedback that relate to more than one category.

Examples of customer feedback related to Table 5 include:
- **Customer Service:** "More polite clerks…" and "be consistent."
- **Wait Time**: "Shorter wait time," "faster lines," and "improve the waiting line,"
- **Other**: "Have more locations," "parking," and "add debit/credit [card options]"