



Texas Department  
*of* Motor Vehicles

HELPING TEXANS GO. HELPING TEXAS GROW.

Title and Registration Customer  
Support Audit Report

20 - 03

Internal Audit Division

January 2020



## Title and Registration Customer Support Audit Report, 20-03

### Executive Summary

#### BACKGROUND

The Texas Department of Motor Vehicles (Department) provides customer assistance for title and registration processes to the motoring public and to tax-assessor collector offices. The Department’s customer service delivery is decentralized. Frontline agents in the Customer Relations Division (CRD) and the Vehicle Titles and Registration Division’s Regional Service Centers (RSC) route customer issues to other divisions with specialized knowledge if they are unable to resolve the issue through initial troubleshooting.

The objectives of the audit were the following:

- To evaluate the consistency of title and registration of customer support to tax-assessor collector offices and the general public.
- To evaluate the communication and planning processes between the Department’s title and registration customer support functions.
- To evaluate the design of the Department’s decentralized customer support resources.

#### RECOMMENDATIONS

This report contains two HIGH priority recommendations designed to establish ownership of issue processing and quality assurance standards for title and registration customer support across divisions.

#### RESULTS

IAD found TxDMV’s title and registration customer support processes are at a level 2 maturity level, where similar procedures are followed by several employees, but the results may not be consistent.

The Department has established similar performance measures, comparable customer feedback mechanisms, and consistent training and resources for frontline staff in all title and registration customer service divisions.

The Department’s customer service model routes customer issues that cannot be resolved at the frontline to program areas with specialized knowledge of the issue. However, each division is only responsible for the portion of the customer’s issue to which their expertise applies.

- Tickets submitted on behalf of customers are open between 7 to 11 work days but may require 20 minutes to resolve.
- 20 of 21 tickets escalated to, and worked by, the Information Technology Services Division or and Finance and Administrative Services Division did not receive follow-up to verify with the customer that resolution was achieved.

#### MANAGEMENT RESPONSE

Management agrees with the recommendations and has proposed implementation action plans.

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## Overall Conclusion and Executive Director Response

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### Maturity Assessment Rating

2: Repeatable but Intuitive Level - 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 Department has established similar performance measures for frontline staff in title and registration and customer service divisions. These measures emphasize program knowledge, professional courtesy, customer service quality, and customer handling times.
- + The Department has developed feedback mechanisms to capture comparable customer perceptions between divisions about the accuracy and quality of information provided, as well as overall customer service experience. Customer experience and information accuracy feedback trended positively for the June-August 2019 period reviewed. In addition, TAC offices reported neutral to positive feedback in 33 of 38 (87%) site visits conducted by Regional Services Management.
- + Accuracy of staff training materials on title and registration subjects is consistent among divisions, and division training and resources are available to staff in all customer service divisions. 41 of 55 (75%) of TxDMV customer service employees surveyed stated they have the necessary tools and resources available to them to assist customers.

### Improvement

The Department's title and registration customer service delivery processes do not sufficiently focus upon the full customer interaction with the Department, although the individual divisions may be proficient in serving the customer in their specific areas. Customers are left the responsibility for following up and monitoring the progress of their own issues if not resolved on the frontline. In addition, the communication of issues impacting the customer and updates on those issues are not communicated timely to the customer and internal staff.

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: [The Department's title and registration customer service delivery processes do not focus upon the full customer interaction.](#)**

- **Recommendation 1.1:**The Department should research how to integrate title and registration customer support processes. Research should include assigning responsibility for customer issue ownership, and establishing quality assurance standards across the Department for processing customer issues. (**HIGH**)
- **Recommendation 1.2:** The Department should align its title and registration customer service processes and functions based on the research conducted. (**HIGH**)

The detailed audit results can be found under the Audit Results section of this report (begins on page 5).

## Background

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### Internal Audit Division Report Perspective

The Texas Department of Motor Vehicles (Department) provides the motoring public and tax-assessor collector (TAC) offices with customer assistance for title and registration processes. A customer issue may pass through multiple divisions and touchpoints internally prior to resolution. The Internal Audit Division conducted this audit and reported the results and recommendations as a Department-wide customer-focused strategy rather than individual division responsibilities.

### Program and Process

Historically, the Department's IT Service Desk was housed in the Information Technology Services Division (ITS) with three tiers of assistance:

- Tier 1 - basic trouble shooting and ticket evaluation and routing.
- Tier 2 - immediately worked Tier 1 referrals.
- Tier 3 - complex issues working with the programmers and business area subject matter experts for resolution.

In November 2018, the Department reorganized its Service Desk, decentralizing the Tiered services across divisions.

The Department's Consumer Relation Division (CRD) and Regional Service Center (RSC) staff are Tier 1 support responsible for initially receiving and troubleshooting customer issues. The Department's Information Technology Services Division (ITS) and Finance and Administrative Services Division (FAS) provide Tier 2 support for financial and system or hardware related issues. Tier 3 includes ITS programmers to work issues requiring system or application programming.

CRD staff address questions regarding title application requirements, title types, and vehicle record history. CRD provides Tier 1 information technology support to tax assessor-collector (TAC) offices reporting technology issues such as Registration and Title System (RTS) workstation access, connectivity, and physical operation of the workstation and printers.

RSC staff address questions and services such as certified copies of original title issuance, vehicle record history requests, administrative restraints placed or lifted on vehicle records, and RTS transaction procedures.

ITS provides support for ad-hoc data requests, programming issues, network connectivity, and hardware issues. FAS processes funds adjustments when a payment was applied in error, and assist counties with RTS reporting and reconciliation errors.

Both RSC and CRD staff route customer issues to ITS or FAS divisions who have specialized knowledge, if they are unable to resolve the issue through initial troubleshooting. RSC and CRD agents log initial information received from the customer into a ticket using the Department's information technology ticketing system – Remedyforce – to refer the customer's issue to be worked by ITS or FAS. Once the ticket is created, ITS assigns the ticket to appropriate ITS or FAS work queues.

The assigned ITS or FAS resources are responsible for contacting and working with the customer to gather any additional information needed to complete the ticket and resolve the customer's issue.

The Department maintains general public and dedicated county-only phone lines for TAC customers to contact their local RSCs directly. If local RSC staff are unavailable, the phone system rolls the TAC caller to the next available RSC phone agent state-wide.

## **Audit Engagement Team**

The audit was performed by Frances Barker (Auditor), Derrick Miller (Lead), and Sandra Menjivar-Suddeath (Internal Audit Director).

## Audit Results

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### **The Department's title and registration customer service delivery processes do not focus upon the full customer interaction.**

#### Current State (Condition)

The Department's title and registration customer service delivery processes do not sufficiently focus upon the full customer interaction with the Department, although individual divisions may be proficient in serving the customer in their specific areas. Customers are oftentimes left with the responsibility for following up and monitoring the progress of their own issues if not resolved by frontline customer service agents.

#### Impact (Effect)

Customers are left without a central point-of-contact to advocate for resolution on their behalf as tickets are routed through multiple divisions. Customers may also not receive the most current information on their tickets and issues as none of the divisions are fully responsible for communicating issues to customers.

Current Department policies and procedures do not clarify who is responsible for distributing notifications to customers, and CRD, FAS, and VTR do not have documented policies for communicating system issues impacting customers. Both internal staff and external TAC customers expressed frustration about the timeliness of updates received on issues such as system outages or policy changes.

An analysis of tickets showed customers may wait several days for resolution on tickets which could be resolved promptly. IAD estimated that escalated tickets take up to 11 work days to complete, although it takes approximately 20 minutes of work time to resolve. In addition, surveys of internal customer service staff indicated a perception that their ability to completely resolve complex customer issues is indirectly restricted by pressure to meet customer service performance measures.

#### Cause

The Department's customer service model is designed to ensure customer issues are routed to and addressed by program areas with specialized knowledge of the issue. However, each division is responsible only for the portion of the customer's issue to which their expertise applies. As such, processes have been developed for each division, such as performance measures, communication, and training.

Training between RSC staff and CRD differ in their focus toward customers based on their portion of the customer support responsibility. While both divisions address overlapping topics, (for example types of titles and titling scenarios) RSCs emphasizes transactional processing while CRD emphasizes information delivery for answering customer questions. None of the training looks at the customer experience holistically.

## Expected State (Criteria)

One of the Department's three strategic goals is to be customer centric with a focus on the customer and excellent service delivery. As stated in the Texas Sunset Commission report, the Texas Legislature created TxDMV to heighten the focus and attention on and improve overall customer service.

## Evidence

- An analysis of a sample of 213 tickets submitted for ITS assistance and 49 funds adjustment (FAS) tickets submitted on behalf of customers, showed the following:
  - an individual ITS ticket is open 11 work days on average, but only requires approximately 20 minutes to resolve the issue.
  - an individual funds adjustment ticket is open 7.6 work days on average. Time worked to resolve funds adjustments is not tracked and therefore an estimate of time could not be calculated.
  - 25 of 49 funds adjustment tickets were reviewed to determine if all required information was captured at intake. 21 of the 25 reviewed did not have all information needed to process the funds adjustment.
- Tickets escalated to ITS or FAS support by frontline customer service agents receive no follow-up to monitor or verify completion, timeliness, or effective resolution of customer concern. Specifically, tickets escalated to ITS and FAS are not monitored to see how long it takes to resolve an escalated issue.
- IAD identified at least 21 escalated tickets that had been submitted by CRD to FAS or ITS. 20 of the 21 tickets escalated to and worked by ITS or FAS did not receive follow-up to verify with the customer that resolution was achieved.
- A complete population of escalated tickets could not be reliably identified because no division is responsible for follow up or resolution monitoring of tickets escalated out of Tier 1 CRD support. CRD notifies ITS or FAS by email of escalated tickets. However, the email notifications are frequently sent informally to individual staff and do not have a standard format by which to identify them.
- IAD surveyed 86 internal Department staff, receiving 55 responses, who directly work with customers to log or resolve customer issues.
  - 24 of 55 (44%) of internal customer service staff surveyed stated they felt pressured by efficiency or production measures such as customer handle times to cut short resolutions to complex customer calls.

- 26 of 55 (48%) internal customer service staff surveyed stated they are sometimes or rarely notified through official communications of external issues affecting customers.
- 29 (52%) respondents reported that they do not receive notification for over an hour after a system issue occurs.
- 7 of 12 comments received on the survey question stated that information was more reliably received through unofficial channels such as customers reporting trouble or coworkers in other divisions.

## Recommendation

- 1.1 The Department should research how to integrate title and registration customer support processes. Research should include assigning responsibility for customer issue ownership, and establishing quality assurance standards across the Department for processing customer issues. **(HIGH)**
- 1.2 The Department should align its title and registration customer service processes and functions based on the research conducted. **(HIGH)**

## Management Response and Action Plan

### Management Response & Action Plan 1.1

*Management agrees with the recommendation and appreciates the evaluation that was completed by the Internal Audit Division. As the audit points out, the Department recently made changes to its customer support in an effort to improve wait times and allow certain areas of the Department to focus on key competencies. Although there have been vast improvements in the Tier 1 support, gaps remain in the process holistically that must be addressed. TxDMV is a customer service agency, and when there are areas for improvement management has a responsibility to address ways to implement those improvements.*

*The Department will formulate a working group comprised of leadership from the Executive Office as well as the Vehicle Title and Registration, Consumer Relations, Finance and Administrative Services, Information Technology Services and Government and Strategic Communications Divisions. The charge of the working group will be to clearly identify roles and responsibilities, quality assurance standards, and opportunities for greater alignment across the department when addressing customer issues.*

*Short-term and long-term recommendations will be delivered to the Executive Office by May 1, 2020. Short-term recommendations, along with appropriate documentation of any process changes, will be implemented as soon as possible but no later than August 1, 2020. As it is difficult to determine at this time what long-term recommendations will be made or how long those recommendations will take to implement, long-term recommendations will include suggested implementation dates when delivered on May 1, 2020.*

**Management Action Plan Owners:** Executive Office

**Anticipated Completion Date:** May 1, 2020

**Management Response & Action Plan 1.2**

*Management agrees with the recommendation and appreciates the evaluation that was completed by the Internal Audit Division. As the audit points out, the Department recently made changes to its customer support in an effort to improve wait times and allow certain areas of the Department to focus on key competencies. Although there have been vast improvements in the Tier 1 support, gaps remain in the process holistically that must be addressed. TxDMV is a customer service agency, and when there are areas for improvement management has a responsibility to address ways to implement those improvements.*

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**Management Action Plan Owner:** Executive Office

**Anticipated Completion Date:** TBD

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

### **Objectives**

The audit objectives were the following:

- To evaluate the consistency of title and registration customer support to tax-assessor collector offices and the general public.
- To evaluate the communication and planning processes between the Department's title and registration customer support functions.
- To evaluate the design of the Department's decentralized customer support resources.

### **Scope and Methodology**

The scope of the audit included areas of risk within the Customer Support processes identified from TxDMV's realignment of these functions in Consumer Relations Division (CRD), Vehicle Title Registration Division (VTR), Finance (FAS), and Information Technology Services Divisions (ITS). IAD reviewed physical documentation, RemedyForce tickets, and surveys. Information and documents reviewed in the audit included the following:

- CRD, VTR, and FAS performance measures, staff performance plans, and quality assurance procedures
- CRD customer feedback phone survey June – August 2019 scores
- Regional Service Center (RSC) in-office customer feedback survey July – October 2019 scores
- RSC Chief Regional Service Center and Tax-Assessor Collector office site visit reports
- TxDMV Internal Customer Service Staff Feedback Survey of CRD, RSC, FAS, and ITS staff
- CRD, VTR, FAS, and ITSD system incident and outage communication procedures
- TxDMV GovDelivery notifications distributed July – September 2019
- VTR Monthly training presentations and training records
- CRD agent skillset training material and resources
- CRD IT issue escalation CRD\_QA email resource box.
- RemedyForce tickets created or closed July – September 2019 related to Title and Registration or Funds Adjustment systems and hardware

This audit was included in the FY 2020 Audit Plan. The Internal Audit Division 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 our findings and conclusions based on our audit objectives. IAD believes 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
<b>Control Environment</b>	The foundation for an internal control system as it is a set of standards, processes, and structures that provide the basis for carrying out internal control across the organization. It provides the discipline and structure to help an entity achieve its objectives. The TxDMV Board and executive management establish the tone at the top regarding the importance of internal control including expected standards of conduct.	3 - Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.
<b>Risk Assessment</b>	The processes used to determine how risk is to be managed. The function assesses the risks facing the entity as it seeks to achieve its objectives.	6 -The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.  7 - The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.

COSO Element	Definition	Applicable Principles
		<p>8 - The organization considers the potential for fraud in assessing risks to the achievement of objectives.</p> <p>9 - The organization identifies and assesses changes that could significantly affect the system of internal control.</p>
<b>Control Activities</b>	The actions management established through policies and procedures to achieve objectives and respond to risks in the internal control system, which includes TxDMV's information systems.	12 - The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.
<b>Information and Communication</b>	The quality information TxDMV management and staff generate and use to communicate and support the internal control system on an ongoing and iterative basis.	<p>14 -The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of internal control.</p> <p>15 -The organization communicates with external parties regarding matters affecting the functioning of internal controls.</p>
<b>Monitoring</b>	The activities establishes and operates to assess the quality of performance over time. The activities include ongoing evaluations, separate evaluations, or some combination of the two are used to ascertain whether each of the five components of internal control, including controls to effect the principles within each component, is present and functioning.	16 - The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning.

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