

A Review of

# Implementation of Sunset Advisory Commission Management Actions at 13 State Agencies

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# Implementation of Sunset Advisory Commission Management Actions at 13 State Agencies

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## Overall Conclusion

Thirteen state agencies have fully or partially implemented all but one of the non-statutory recommendations (management actions) included in the *Sunset Advisory Commission Report to the 77th Legislature*. Of 65 management actions, 1 was not implemented, 29 were partially implemented, and 35 were fully implemented. Texas Government Code, Section 325.012(b), requires the State Auditor's Office to report on the manner in which agencies have implemented all management actions that the Sunset Advisory Commission (Sunset) recommends.

The Natural Resource Conservation Commission (Commission) did not implement Sunset's management action to consolidate the Commission's air fee auditors with its compliance and evaluation auditors. Sunset recommended this management action to prevent the potential appearance of a conflict of interest resulting from the Commission's current practice of placing air fee auditors within the program that administers air fees. The Commission asserts that it cannot combine the air fee auditors with the compliance and evaluation auditors because the two groups have separate and distinct functions.

Seven agencies partially implemented 29 management actions. Overall, agencies made good faith efforts toward implementing these management actions. Management actions were partially implemented for three primary reasons: (1) agencies' boards or commissions had not yet approved a rule change or internal policy, (2) agencies were still researching and analyzing information, and (3) agencies had not implemented all of the recommendations associated with a single management action. The seven agencies that had partially implemented management actions included the following:

- Natural Resource Conservation Commission
- Department of Information Resources
- Parks and Wildlife Department
- Railroad Commission
- Securities Board

### Sunset Advisory Commission

The Sunset Advisory Commission (Sunset) regularly assesses the continuing need for state agencies' existence. Sunset's review process sets a date on which an agency will be abolished unless legislation is passed to continue the agency's functions. Sunset typically reviews agencies every 12 years. Approximately 20 to 30 agencies undergo the Sunset review process each legislative session.

The members of the Sunset Advisory Commission include eight legislators and two public members appointed by the Lieutenant Governor and the Speaker of the House of Representatives. Sunset's staff members report their assessments of agencies' programs to the members of the Sunset Advisory Commission. This process provides the Legislature with information from which to draw conclusions about the agencies under review.



- Texas Building and Procurement Commission (This agency was created in 2001 and assumed most of the General Services Commission’s responsibilities.)
- Water Development Board

The following six agencies fully implemented all of Sunset’s management actions:

- Aircraft Pooling Board
- Coastal Coordination Council
- Funeral Service Commission
- Savings and Loan Department
- Soil and Water Conservation Board
- State Commission on Judicial Conduct

We provided details regarding each agency’s efforts to implement management actions in a separate letter to Sunset.

Other SAO Products		
Number	Product Name	Release Date
01-445	Legislative Summary Document - Natural Resource Conservation Commission	March 2001
01-436	Legislative Summary Document - Department of Information Resources	March 2001
01-426	Legislative Summary Document - Aircraft Pooling Board	March 2001
01-423	Legislative Summary Document - General Land Office	March 2001
01-421	Legislative Summary Document - Water Development Board	March 2001
01-407	Legislative Summary Document - Funeral Service Commission	March 2001
01-390	Legislative Summary Document - Finance Commission of Texas	March 2001
01-389	Legislative Summary Document - Securities Board	March 2001
01-374	Legislative Summary Document - General Services Commission	February 2001
01-371	Legislative Summary Document - Parks and Wildlife Department	February 2001
01-006	A Review of the Sunset Advisory Commission Management Action Recommendations for Twelve Texas State Agencies	November 2000

# Detailed Results

## ***Of 65 Management Actions, One Was Not Implemented, 29 Were Partially Implemented, and 35 Were Fully Implemented***

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### **The Natural Resource Conservation Commission Did Not Implement 1 of 10 Management Actions Sunset Recommended**

The Natural Resource Conservation Commission (Commission) did not implement the management action recommended by the Sunset Advisory Commission (Sunset) to consolidate its air fee auditors with its compliance and evaluation auditors. Sunset issued this management action to prevent the potential appearance of a conflict of interest as a result of the Commission's current practice of placing air fee auditors within the same Commission program that administers air fees. The Commission asserts that it cannot combine the air fee auditors with the compliance and evaluation auditors because the two groups have separate and distinct functions. The Commission asserts that air fee auditors determine whether fees submitted to the Commission are correct and complete, while the compliance and evaluation auditors evaluate fee-payer compliance with rules on a risk basis. According to the Commission, removing air fee auditors from their current program increases the risk that incorrect fee payments would not be identified. Of the Commission's nine remaining management actions, it fully implemented one and partially implemented eight.

### **Seven Agencies Partially Implemented 29 Management Actions**

Overall, agencies made good faith efforts toward implementing all management actions that they partially implemented. Many of these management actions were close to full implementation at the time of our review. In all cases, we determined in consultation with Sunset whether a management action was partially implemented.

Management actions were partially implemented for three primary reasons. Specifically:

- Some agencies did not fully implement management actions because their commissions or boards had not yet given their required approval of a particular rule change or internal policy.
- Some agencies did not fully implement management actions because they were still conducting research and/or analyzing information necessary to:
  - ◆ Complete reports that are due to the Legislature in fiscal year 2003.
  - ◆ Complete Legislative Appropriations Requests for the 2004–2005 biennium.
  - ◆ Develop performance standards and incentive programs.
  - ◆ Identify cost savings.

- Some agencies did not fully implement management actions because they had not implemented all of the recommendations associated with a single management action. Some management actions contained 3 to 20 individual recommendations that an agency needed to incorporate to fully implement the management action. In most of these cases, agencies have only one or two recommendations to complete before they will have fully implemented the management actions.

Other reasons that management actions were not fully implemented include that agencies were in the process of implementing or upgrading computer systems, awarding contracts, or implementing a statutory recommendation that affects the management action.

Table 1 summarizes the results for all agencies included in our review.

Implementation Status for All Management Actions				
Agency	Fully Implemented	Partially Implemented	Not Implemented	Total
Natural Resource Conservation Commission	1	8	1	10
Department of Information Resources	1	1	0	2
Parks and Wildlife Department	10	6	0	16
Railroad Commission	1	3	0	4
Securities Board	1	1	0	2
General Services Commission/Texas Building and Procurement Commission	3	8	0	11
Water Development Board	1	2	0	3
Aircraft Pooling Board	2	0	0	2
Coastal Coordination Council	2	0	0	2
Funeral Service Commission	6	0	0	6
Savings and Loan Department	1	0	0	1
Soil and Water Conservation Board	3	0	0	3
State Commission on Judicial Conduct	2	0	0	2
<b>Subtotals</b>	<b>34</b>	<b>29</b>	<b>1</b>	<b>64</b>
Joint Management Action for Both the Department of Information Resources and the General Services Commission	1	0	0	1
<b>Totals</b>	<b>35</b>	<b>29</b>	<b>1</b>	<b>65</b>

# ***Other Information***

## ***Objective, Scope, and Methodology***

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Our objective was to determine the implementation status of management actions included in the *Sunset Advisory Commission Report to the 77th Legislature*.

We conducted interviews and reviewed documentation for all 13 agencies included in this review. We evaluated the information obtained against criteria provided by the Sunset Advisory Commission to determine the implementation status of management actions.

The information used in this report has not been subjected to the tests and confirmations that would be performed in an audit. This review was performed as an “Other Activity of an Audit Organization” review as described in the General Accounting Office’s Government Auditing Standards, 1999 Revisions, paragraph 2.10.

We conducted fieldwork between April 2002 and July 2002. Our work did not include an information technology review.

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Mr. Joey Longley, Director

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Ms. Denise Voigt Crawford, Securities Commissioner

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## **State Commission on Judicial Conduct**

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Ms. Margaret J. Reaves, Executive Director

## **Texas Building and Procurement Commission**

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Mr. Randall Riley, Executive Director

## **Water Development Board**

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