



A Legislative Summary Document Regarding Funeral Service Commission

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The Funeral Service Commission (Commission) needs to address significant weaknesses in its core functions. Weaknesses in information system controls and flaws in the license issuance process hinder the agency's ability to record and monitor key data regarding licensees.

The Commission implemented a new information system in December 2002 that is intended to address weaknesses in the agency's information system controls. The Commission acquired the new system at an estimated cost of \$228,000. The Department of Information Resources worked with the Commission to establish controls for the new system. In addition, the Commission is now renewing licenses through TexasOnLine, the e-government Web portal for the State of Texas.

We were unable to certify either fiscal year 2001 performance measures we tested at the Commission. Reported results for these two measures were found to be inaccurate.

Prepared for the 78th Legislature
by the State Auditor's Office

January 2003

SAO No. 03-371

This is not an audit report and, with the exception of any audit report summaries, the material in this document has not been subjected to all of the tests and confirmations performed in an audit.

Funeral Service Commission

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Key Findings from Previous Audits and Reviews

January 1, 2001–December 31, 2002

An Audit Report on Internal Control and Financial Processes at the Commission on the Arts and the Funeral Service Commission

(Report No. 02-056, June 2002)

The Funeral Service Commission (Commission) needs to address significant weaknesses in its core functions. Weaknesses in information system controls and flaws in the license issuance process hinder the agency's ability to record and monitor key data regarding licensees. The Commission risks converting flawed data to the new information system it is acquiring at an estimated cost of \$228,000. The Department of Information Resources is currently working with the Commission to establish controls for the new system.

Status of Audit Recommendations as of November 30, 2002

No status is reported at this time to allow the Commission sufficient time to address recommendations in this recently released report.

The Commission's information system control weaknesses and flawed license issuance process impede the recording and monitoring of key information regarding licensees:

- Significant weaknesses in the Commission's information system controls can create inaccurate licensing data for monitoring. For example, system data indicates that the Commission issued a license in the year 3201.
- Flaws in the Commission's license issuance process caused the Commission to issue 13 duplicate license numbers to funeral home establishments. Issuing duplicate license numbers raises the risk that the Commission could inaccurately record information on fee collections, inspections, and complaints regarding specific licensees.

A Review of Implementation of Sunset Advisory Commission Management Actions at 13 State Agencies

(Report No. 02-067, August 2002)

The Funeral Service Commission fully implemented all six management actions.

Most Recent Performance Measure Certification

Fiscal Year 1998–Fiscal Year 2003

The results of *An Audit Report on Internal Control and Financial Processes at the Commission on the Arts and the Funeral Service Commission* (Report No. 02-056, June 2002) for this entity are summarized below.

Period	Goal/Strategy		Measure	Certification Results
2001	A.1.1	Licensing Requirements	Number of New Licenses Issued to Individuals	Inaccurate
2001	B.1.1	Inspections	Average Time for Complaint Resolution	Inaccurate
Total Measures Certified Without Qualification ^a				0/2 (0%)
Data Reliability Percentage (Certified and Certified with Qualification)				0/2 (0%)

^a The percentage of unqualified certifications is presented because it is used in determining an entity's eligibility for performance rewards as established in the General Appropriations Act [77th Legislature, Article IX, Sec. 6.31(d)(2)].

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Category	Definition
Certified	Reported performance is accurate within +/-5 percent, and controls appear adequate to ensure accurate collection and reporting of performance data.
Certified with Qualification	Reported performance is within +/-5 percent, but the controls over data collection and reporting are not adequate to ensure the continued accuracy of performance data.
Factors Prevented Certification	Actual performance cannot be determined because of inadequate controls and insufficient documentation.
Inaccurate	Reported performance is not within +/-5 percent of actual performance, or there is an error rate of at least 5 percent in the supporting documentation.
Not Applicable	A justifiable reason exists for not reporting performance.

Travel Expenditures

Travel Expenditures by Appropriation Year (unaudited)			
	2000	2001	2002
In-State Travel	\$ 47,347	\$ 47,609	\$ 46,438
Out-of-State Travel	0	584	0
Foreign Travel	0	0	0
Other Travel Costs	(321)	0	27
Total Travel Expenditures	\$ 47,026	\$ 48,193	\$ 46,465
Limit on Travel Expenditures (Cap)	60,820	60,820	0 ^a
Expenditures in Excess of Cap	\$ 0	\$ 0	\$ 0

^a Caps apply to total travel in appropriation years 2000 and 2001, but caps apply only to out-of-state travel and foreign travel in appropriation year 2002. Caps, calculated by the Comptroller of Public Accounts, have been adjusted for any increases requested by the Commission and approved by the Legislative Budget Board in accordance with the General Appropriations Act.

Source: Uniform Statewide Accounting System (USAS) as of November 30, 2002. Amounts are subject to change as agencies continue to record additional expenditures or adjustments.