



A Report on
**The Implementation Status of
Prior State Auditor's Office Recommendations**

February 28, 2018

Members of the Legislative Audit Committee:

The State Auditor's Office has compiled the following data to provide information regarding the implementation status of recommendations made in prior audit reports. Texas Government Code, Section 321.014(f), requires state agencies, higher education institutions, and other audited entities to report to the State Auditor's Office on the implementation status of audit report recommendations. The State Auditor's Office requests status reports annually.

The State Auditor's Office provides a Web Interface for audited entities to report the implementation status of audit report recommendations (see text box for definitions of implementation status). That system groups recommendations by chapter or subchapter as they appeared in the original report. As a result, audited entities report an implementation status for the recommendations on a chapter or subchapter basis.¹

From September 1, 2013, through June 30, 2016, the State Auditor's Office issued 52 performance audit reports² to state agencies and higher education institutions that contained 703 recommendations. Specifically, in those audit reports, the State Auditor's Office made recommendations to state agencies and higher education institutions in 237 report chapters. Of those, the audited entities self-reported that they fully implemented the recommendations in 187 (79 percent) chapters; that they had substantially implemented the recommendations in 22 (9 percent) chapters; and that implementation was incomplete or ongoing for the recommendations in 28 (12 percent) chapters (see Figure 1 on the next page).

Definitions of
Implementation Status

The definition of each implementation status is as follows:

- Fully Implemented: Successful development and use of a process, system, or policy to implement a recommendation.
- Substantially Implemented: Successful development but inconsistent use of a process, system, or policy to implement a recommendation.
- Incomplete or Ongoing: Ongoing development of a process, system, or policy to address a recommendation.
- Not implemented: Lack of formal process, system, or policy to address a recommendation.

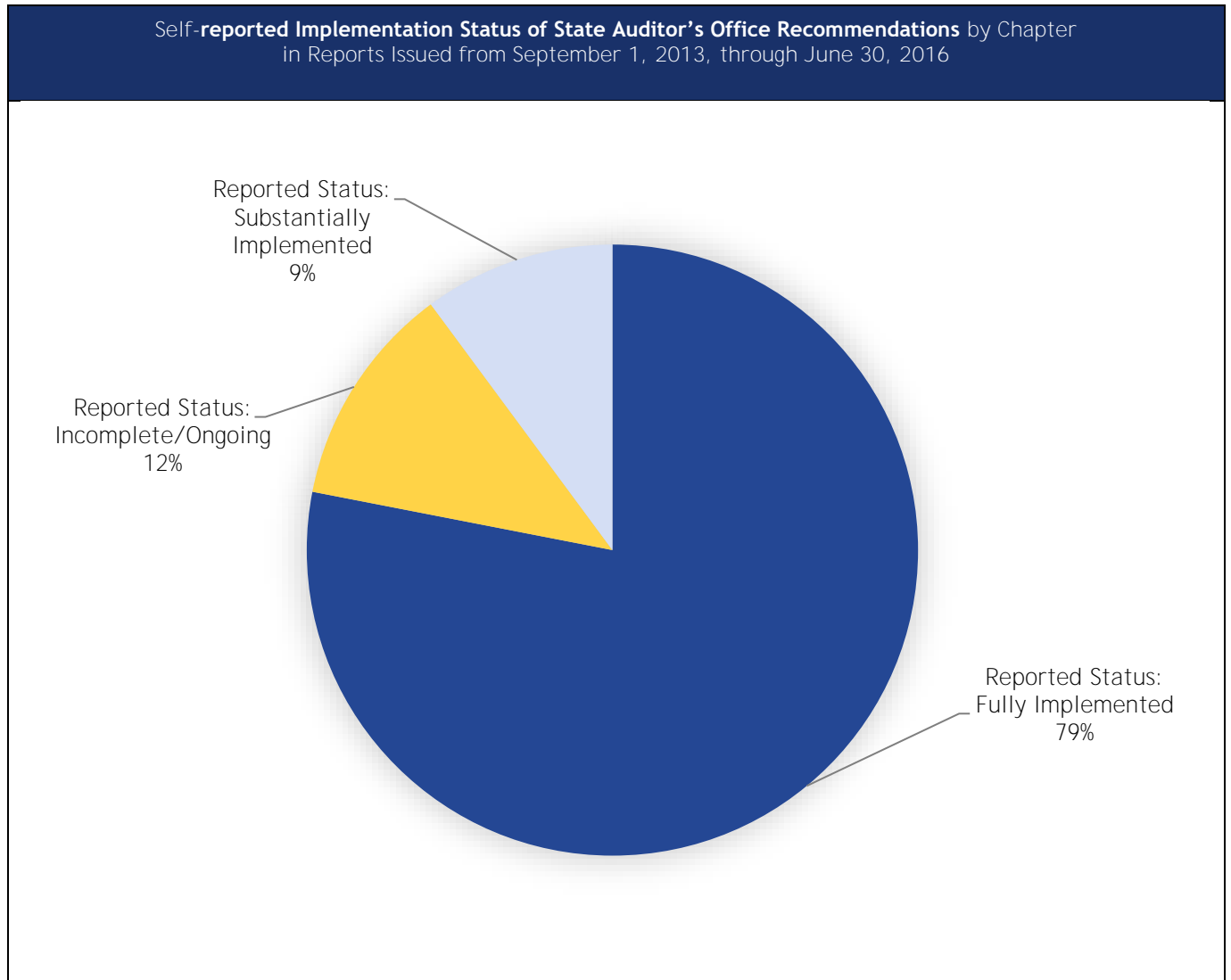
Source: **State Auditor's Office** instructions for submitting implementation status of recommendations.

¹ For purposes of this report, "chapters" refers to individual chapters or subchapters in the original audit reports.

² The State Auditor's Office released 72 performance audit reports from September 1, 2013, through August 31, 2016, (fiscal years 2014, 2015, and 2016). The scope of this project excluded 20 performance audit reports because they contained recommendations to non-state entities, contained no recommendations, had recommendations that were followed up in subsequent audits, or were released after June 30, 2016.

SAO Report No. 18-021

Figure 1



Auditors Followed Up on Recommendations in 11 Report Chapters

For the purpose of this project, auditors followed up on the implementation status of the recommendations made in 11 report chapters for which the entities reported the recommendation(s) as fully implemented. Auditors verified that the recommendations in 10 (91 percent) of those 11 report chapters were fully implemented. However, auditors determined that the recommendation in one report chapter tested was substantially implemented. That recommendation was addressed to the Parks and Wildlife Department in *An Audit Report on Selected Contracts at the Parks and Wildlife Department* (State Auditor's Office Report No. 14-042, August 2014).

The attachment to this letter contains (1) detailed information regarding the implementation status of the recommendations on which the State Auditor's Office followed up and (2) a summary of self-reported implementation status for the audit reports the State Auditor's Office issued from September 1, 2013, through June 30, 2016.

Sincerely,

Lisa R. Collier, CPA, CFE, CIDA
First Assistant State Auditor

Attachment

cc: The Honorable Greg Abbott, Governor
Executive Directors of the Following State Agencies
Board of Professional Land Surveying
Commission on the Arts
Commission on Environmental Quality
Department of Family and Protective Services
Department of State Health Services
Health and Human Services Commission
Office of Court Administration
Parks and Wildlife Department
Texas Public Finance Authority
Texas Workforce Commission

Objective, Scope, and Methodology

The project objective was to determine the implementation status of prior State Auditor's Office recommendations.

The project scope included the recommendations made in 237 chapters in performance audit reports that the State Auditor's Office issued from September 1, 2013, through June 30, 2016. The scope of the recommendations included for follow up excluded performance audit reports with audit recommendations made to non-state entities, performance audit reports with no recommendations, performance audit reports with recommendations that were followed up in subsequent audits, and performance audit reports released after June 30, 2016.

For the purpose of this project, auditors followed up on the implementation status of the recommendations made in 11 report chapters that entities had reported as fully implemented in the State Auditor's Office's Audit and Results system as of October 25, 2017.

The project methodology consisted of sampling recommendations made in 79 chapters that audited entities self-reported as fully implemented.^a Auditors used a nonstatistical, random sample for selecting nine recommendations for review and selected two risk-based sample items. Auditors reviewed documentation for evidence of an entity's implementation of the recommendations and determined whether the entity had fully implemented those recommendations.

The information in this report was not subject to the tests and confirmations that would be performed in an audit.

The following members of the State Auditor's staff performed the project:

- Jerod Heine, MBA (Project Manager)
- Rachel Lynne Goldman, CPA (Assistant Project Manager)
- Mohammad Ali Bawany, MS
- Alexander Sumners
- Deepa M. Titus
- Ann E. Karnes, CPA (Quality Control Reviewer)
- James Timberlake, CIA, CFE (Audit Manager)

^a Auditors excluded all report chapters pertaining to entities selected for review in *A Report on the Implementation Status of Prior State Auditor's Office Recommendations* (State Auditor's Office Report No. 17-031, April 2017) and *A Report on the Implementation Status of Prior State Auditor's Office Recommendations* (State Auditor's Office Report No. 16-021, April 2016).



This document is not copyrighted. Readers may make additional copies of this report as needed. In addition, most State Auditor's Office reports may be downloaded from our Web site: www.sao.texas.gov.

In compliance with the Americans with Disabilities Act, this document may also be requested in alternative formats. To do so, contact our report request line at (512) 936-9500 (Voice), (512) 936-9400 (FAX), 1-800-RELAY-TX (TDD), or visit the Robert E. Johnson Building, 1501 North Congress Avenue, Suite 4.224, Austin, Texas 78701.

The State Auditor's Office is an equal opportunity employer and does not discriminate on the basis of race, color, religion, sex, national origin, age, or disability in employment or in the provision of services, programs, or activities.

To report waste, fraud, or abuse in state government call the SAO Hotline: 1-800-TX-AUDIT.

Attachment

Section 1

Verified Status of State Auditor's Office Recommendations

Definitions of Implementation Status

The definition of each implementation status is as follows:

- Fully Implemented: Successful development and use of a process, system, or policy to implement a recommendation.
- Substantially Implemented: Successful development but inconsistent use of a process, system, or policy to implement a recommendation.
- Incomplete or Ongoing: Ongoing development of a process, system, or policy to address a recommendation.
- Not Implemented: Lack of a formal process, system, or policy to address a recommendation.

Source: **State Auditor's Office instructions for submitting implementation status of recommendations.**

Table 1 shows the recommendations on which auditors followed up and their implementation status (see text box for definitions of implementation status). Those recommendations were addressed to the Texas Public Finance Authority, Commission on the Arts, Health and Human Services Commission, Department of Family and Protective Services, Department of State Health Services, Office of Court Administration, Commission on Environmental Quality, Parks and Wildlife Department, Texas Workforce Commission, and Board of Professional Land Surveying. Please note that the recommendations were grouped at the chapter or subchapter level as presented in the original audit reports. As a result, for Table 1, some recommendations have multiple parts. For purposes of this report, auditors assigned letters to recommendations with multiple parts in Table 1.

Table 1

| Implementation Status of State Auditor's Office Recommendations for Reports Issued From September 1, 2013, through June 2016 | | | | |
|--|-----------------------------|--|-------------------------------------|--|
| Number | Fiscal Year Report Released | Recommendation | Self-reported Implementation Status | Implementation Status Determined by Auditors |
| Article I - General Government | | | | |
| Agency 347 - Texas Public Finance Authority (TPFA) <i>An Audit Report on Financial Processes at the Texas Public Finance Authority</i> (State Auditor's Office Report No. 16-029, May 2016) | | | | |
| 1 | 2016 | TPFA should ensure that it continues to document its review and approval of payment vouchers, as required by its internal business operating procedures. | Fully Implemented | Fully Implemented |
| Agency 813 - Commission on the Arts (Commission) <i>An Audit Report on Performance Measures at the Commission on the Arts</i> (State Auditor's Office Report No. 14-006, October 2013) | | | | |
| 2 | 2014 | The Commission should document all steps performed in the collection, calculation, review, and reporting of performance measure data in its written policies and procedures. | Fully Implemented | Fully Implemented |
| 3 | 2014 | The Commission should conduct and document its reviews of the supporting documents and the related performance measure data it enters into ABEST [the Automated Budget and Evaluation System of Texas] before completing the submission of performance measure data. | Fully Implemented | Fully Implemented |

Implementation Status of State Auditor's Office Recommendations for Reports Issued
From September 1, 2013, through June 2016

| Number | Fiscal Year Report Released | Recommendation | Self-reported Implementation Status | Implementation Status Determined by Auditors |
|---|-----------------------------|---|-------------------------------------|--|
| Article II - Health and Human Services | | | | |
| Agency 529 - Health and Human Services Commission (Commission) <i>An Audit Report on Information and Communications Technology Cooperative Contracts at the Health and Human Services Commission (State Auditor's Office Report No. 14-013, December 2013)</i> | | | | |
| 4 | 2014 | The Commission should: | Fully Implemented | Fully Implemented |
| A | | <ul style="list-style-type: none"> ▪ Develop and document an agencywide, standardized process, including performance criteria, to evaluate periodically the quality of Program staffing services that contract workers provide. | | |
| B | | <ul style="list-style-type: none"> ▪ Develop and document a process to report periodically to the Comptroller's Office the performance of contractors that provide Program goods and services with values of at least \$25,000. | | |
| C | | <ul style="list-style-type: none"> ▪ Record the corresponding purchase order or contract in the Health and Human Services Administrative System when it processes payments for Program purchases. | | |
| D | | <ul style="list-style-type: none"> ▪ Process and approve purchase orders for all Program purchases. | | |
| Agency 530 - Department of Family and Protective Services (DFPS) <i>An Audit Report on Capital Budgets at Health and Human Services Agencies (State Auditor's Office Report No. 15-044, August 2015)</i> | | | | |
| 5 | 2015 | DFPS should consistently establish capital budgets correctly in USAS [Uniform Statewide Accounting System] and, if circumstances prevent the initial budget from matching the amount in the General Appropriations Act, those agencies should make reconciling entries as soon as possible. | Fully Implemented | Fully Implemented |
| Agency 537 - Department of State Health Services (DSHS) <i>An Audit Report on Capital Budgets at Health and Human Services Agencies (State Auditor's Office Report No. 15-044, August 2015)</i> | | | | |
| 6 | 2015 | DSHS should consistently establish capital budgets correctly in USAS and, if circumstances prevent the initial budget from matching the amount in the General Appropriations Act, those agencies should make reconciling entries as soon as possible. | Fully Implemented | Fully Implemented |
| Article IV - Judiciary | | | | |
| Agency 212 - Office of Court Administration (Office) <i>An Audit Report on the Collection Improvement Program at the Office of Court Administration (State Auditor's Office Report No. 14-011, November 2013)</i> | | | | |
| 7 | 2014 | The Office should: | Fully Implemented | Fully Implemented |
| A | | <ul style="list-style-type: none"> ▪ Include all counties and cities that are required to implement the Program in its annual risk assessment. | | |
| B | | <ul style="list-style-type: none"> ▪ Consider counties' and cities' total collections and collection rate in its risk assessment. | | |
| C | | <ul style="list-style-type: none"> ▪ Select for audit at least some counties and cities with relatively high assessed risk for noncompliance with Program requirements. | | |
| D | | <ul style="list-style-type: none"> ▪ Strengthen procedures for its compliance audits to help ensure that its auditors have a complete population of cases from each county and city that they audit. | | |

Implementation Status of State Auditor's Office Recommendations for Reports Issued
From September 1, 2013, through June 2016

| Number | Fiscal Year Report Released | Recommendation | Self-reported Implementation Status | Implementation Status Determined by Auditors |
|--|-----------------------------|--|-------------------------------------|--|
| Article VI - Natural Resources | | | | |
| Agency 582 - Commission on Environmental Quality (Commission) <i>An Audit Report on Information and Communications Technology Cooperative Contracts at the Commission on Environmental Quality (State Auditor's Office Report No. 14-012, December 2013)</i> | | | | |
| 8 | 2014 | The Commission should include in its Program contracts for deliverables-based information technology services a schedule of remedies and sanctions that defines corrective actions or financial penalties that it may take against a vendor for not complying with the terms and conditions of the contract. | Fully Implemented | Fully Implemented |
| Agency 802 - Parks and Wildlife Department (Department) <i>An Audit Report on Selected Contracts at the Parks and Wildlife Department (State Auditor's Office Report No. 14-042, August 2014)</i> | | | | |
| 9 | 2014 | The Department should: | Fully Implemented | Substantially Implemented |
| A | | <ul style="list-style-type: none"> ▪ Develop, document, and implement a risk assessment process to determine the extent of monitoring necessary to verify contractor compliance with contract requirements. | | |
| B | | <ul style="list-style-type: none"> ▪ Verify that the contractor meets agreed-upon standards for the availability of the sales application. | | |
| C | | <ul style="list-style-type: none"> ▪ Develop, document, and implement a process to determine whether it receives critical system issue notifications from the contractor within 30 minutes of detection. | | |
| D | | <ul style="list-style-type: none"> ▪ Verify that the contractor deposits computer programming source code with an escrow agent in a timely manner and obtains required integrity tests of the source code. | | |
| E | | <ul style="list-style-type: none"> ▪ Verify that the contractor provides contractually required reports and review those reports. | | |
| Auditor Comments: As of December 2017, the Department had implemented processes to determine the extent of contractor monitoring necessary, verify that the contractor meets agreed-upon standards for the availability of the sales application, determine whether it receives critical system issue notifications within 30 minutes of detection, and verify that the contractor provides contractually required reports and review those reports. In addition, the Department implemented a process to verify that the contractor deposits computer programming source code with an escrow agent in a timely manner; however, the Department had not been verifying that the contractor obtained integrity testing as required in the contract. After auditors inquired about the integrity tests, the Department stated that the contractor agreed to amend the agreement with the escrow agent to require that integrity tests be performed. The Department also stated that it plans to verify that those integrity tests are performed by reviewing the quarterly deposit confirmations. | | | | |
| Article VII - Business and Economic Development | | | | |
| Agency 320 - Texas Workforce Commission (TWC) <i>An Audit Report on Selected Agencies' Use of Department of Information Resources Information Technology Staffing Services Contracts (State Auditor's Office Report No. 16-020, March 2016)</i> | | | | |
| 10 | 2016 | TWC Should: | Fully Implemented | Fully Implemented |
| A | | <ul style="list-style-type: none"> ▪ Develop and implement policies and procedures to ensure that it solicits a response from TIBH Industries^a when obtaining information technology staffing services through a DIR [Department of Information Resources] contract, as required by Texas Human Resources Code, Section 122.008. | | |
| B | | <ul style="list-style-type: none"> ▪ Develop and implement standardized, entity-wide procedures for obtaining information technology staffing services through DIR contracts, | | |

Implementation Status of State Auditor's Office Recommendations for Reports Issued
From September 1, 2013, through June 2016

| Number | Fiscal Year Report Released | Recommendation | Self-reported Implementation Status | Implementation Status Determined by Auditors |
|--|-----------------------------|---|-------------------------------------|--|
| C | | including procedures for planning, procurement, formation, and oversight. | | |
| D | | <ul style="list-style-type: none"> Require TWC contract managers to disclose any potential conflicts of interest, as required by Texas Government Code, Section 2261.252. | | |
| E | | <ul style="list-style-type: none"> Develop and implement procedures to require vendors for information technology staffing services to represent and warrant that their provision of services will not constitute an actual or potential conflict of interest. | | |
| F | | <ul style="list-style-type: none"> Develop and implement procedures to determine whether vendors for information technology staffing services have used E-Verify to determine employment eligibility. | | |
| | | <ul style="list-style-type: none"> Submit vendor performance reports to the Office of the Comptroller of Public Accounts for purchases that exceed \$25,000, as required by Texas Government Code, Section 2262.055, and Title 34, Texas Administrative Code, Section 20.108(b). | | |
| Article VIII - Regulatory | | | | |
| Agency 464 - Board of Professional Land Surveying (Board) | | | | |
| <i>An Audit Report on Performance Measures at the Board of Professional Land Surveying (State Auditor's Office Report No. 15-040, August 2015)</i> | | | | |
| 11 | 2015 | The Board should develop written policies and procedures for the collection, calculation, review, and reporting of its performance measures. | Fully Implemented | Fully Implemented |
| ^a TIBH Industries was formerly known as the Texas Industries for the Blind and Handicapped. | | | | |

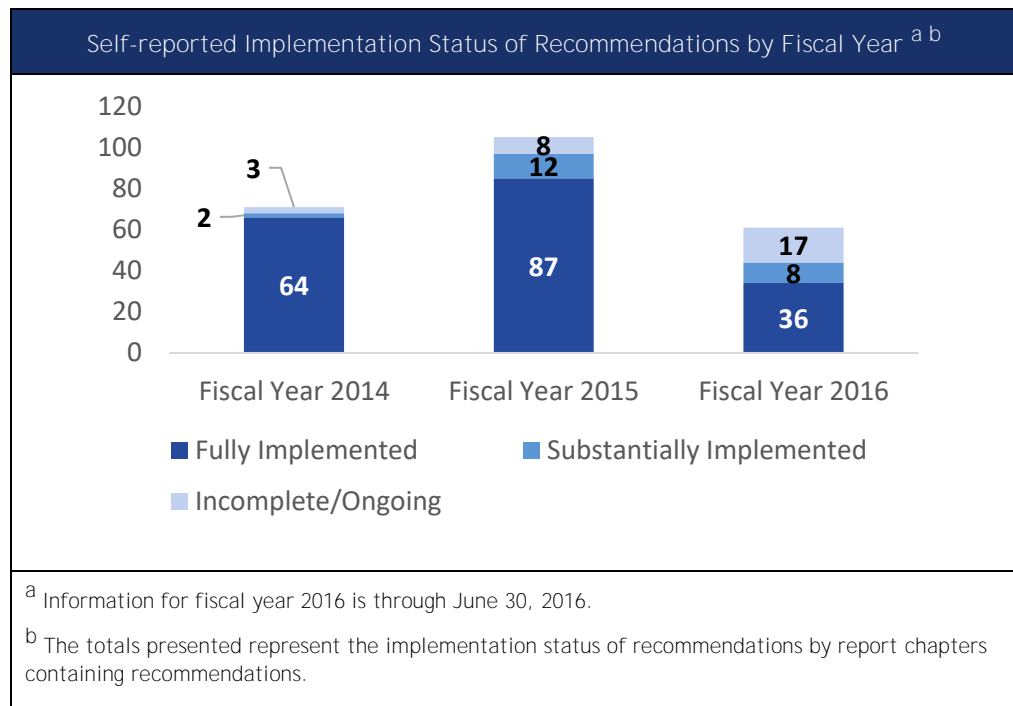
Source: Auditors' verification of agencies' self-reported implementation status. As noted in the report, that work did not include the same tests and confirmations that would be performed in an audit.

Self-reported Implementation Status for Recommendations Issued to State Entities and Higher Education Institutions from September 1, 2013, through June 30, 2016

In 52 performance audit reports¹ to state agencies and higher education institutions issued from September 1, 2013, through June 30, 2016, the State Auditor’s Office made recommendations to state agencies and higher education institutions in 237 report chapters. Of those, the audited entities self-reported that they fully implemented the recommendations in 187 (79 percent) chapters; that they had substantially implemented the recommendations in 22 (9 percent) chapters; and that implementation was incomplete or ongoing for the recommendations in 28 (12 percent) chapters.

Figure 2 shows the state agencies and higher education institutions’ self-reported implementation status of prior State Auditor’s Office recommendations by fiscal year.

Figure 2



Source: Agencies’ self-reported implementation status in the State Auditor’s Office’s Audit and Results system as of October 25, 2017.

¹ The State Auditor’s Office released 72 performance audit reports from September 1, 2013, through August 31, 2016, (fiscal years 2014, 2015, and 2016). The scope of this project excluded 20 performance audit reports because they contained recommendations to non-state entities, contained no recommendations, had recommendations that were followed up in subsequent audits, or were released after June 30, 2016.

Table 2 shows a summary of the self-reported implementation status for the recommendations by state agency and higher education institution.

Table 2

| Self-reported Implementation Status of State Auditor's Office Recommendations for Reports Issued From September 1, 2013, through June 2016 (Includes only implementation status requested by the State Auditor's Office by December 30, 2016) ^a | | | | | | |
|--|---|-------------------------------|---------------------------------------|--------------------------------|-------|---------------------------|
| Fiscal Year Report Released | Report Name | Reported as Fully Implemented | Reported as Substantially Implemented | Reported as Incomplete/Ongoing | Total | Percent Fully Implemented |
| Agency 212 Office of Court Administration | | 2 | 0 | 1 | 3 | 67% |
| 2014 | <i>An Audit Report on the Collection Improvement Program at the Office of Court Administration (State Auditor's Office Report No. 14-011, November 2013)</i> | 2 | 0 | 1 | 3 | 67% |
| Agency 301 - Office of the Governor ^b | | 10 | 2 | 0 | 12 | 83% |
| 2015 | <i>An Audit Report on the Texas Enterprise Fund at the Office of the Governor (State Auditor's Office Report No. 15-003, September 2014)</i> | 7 | 0 | 0 | 7 | 100% |
| 2016 | <i>An Audit Report on the Major Events Trust Fund (State Auditor's Office Report No. 16-001, September 2015)</i> | 3 | 2 | 0 | 5 | 60% |
| Agency 303 - Texas Facilities Commission | | 3 | 2 | 0 | 5 | 60% |
| 2015 | <i>An Audit Report on Selected Contracts at the Texas Facilities Commission (State Auditor's Office Report No. 15-001, September 2014)</i> | 3 | 2 | 0 | 5 | 60% |
| Agency 304 - Office of the Comptroller of Public Accounts | | 6 | 0 | 3 | 9 | 67% |
| 2015 | <i>An Audit Report on Selected State Entities' Compliance with Requirements Related to the Historically Underutilized Business Program and the State Use Program (State Auditor's Office Report No. 15-006, October 2014)</i> | 2 | 0 | 0 | 2 | 100% |
| | <i>An Audit Report on Selected Major Agreements Under the Texas Economic Development Act (State Auditor's Office Report No. 15-009, November 2014)</i> | 4 | 0 | 0 | 4 | 100% |
| 2016 | <i>An Audit Report on Benefits Proportionality at the Office of the Comptroller of Public Accounts, the Teacher Retirement System, and the Employees Retirement System (State Auditor's Office Report No. 16-003, September 2015)</i> | 0 | 0 | 3 | 3 | 0% |
| Agency 305 - General Land Office | | 10 | 1 | 7 | 18 | 56% |
| 2014 | <i>An Audit Report on Incentive Compensation at the Teacher Retirement System, the Permanent School Fund, the General Land Office, and the Employees Retirement System (State Auditor's Office Report No. 14-033, May 2014)</i> | 1 | 0 | 0 | 1 | 100% |

Self-reported Implementation Status of State Auditor's Office Recommendations

for Reports Issued From September 1, 2013, through June 2016

(Includes only implementation status requested by the State Auditor's Office by December 30, 2016) ^a

| Fiscal Year Report Released | Report Name | Reported as Fully Implemented | Reported as Substantially Implemented | Reported as Incomplete/Ongoing | Total | Percent Fully Implemented |
|---|---|-------------------------------|---------------------------------------|--------------------------------|-------|---------------------------|
| 2015 | <i>An Audit Report on Selected State Entities' Compliance with Requirements Related to the Historically Underutilized Business Program and the State Use Program (State Auditor's Office Report No. 15-006, October 2014)</i> | 0 | 1 | 0 | 1 | 0% |
| | <i>An Audit Report on Incentive Compensation at Selected Agencies (State Auditor's Office Report No. 15-032, May 2015)</i> | 1 | 0 | 0 | 1 | 100% |
| | <i>An Audit Report on Contract and Financial Management Processes at the General Land Office (State Auditor's Office Report No. 15-037, July 2015)</i> | 2 | 0 | 7 | 9 | 22% |
| 2016 | <i>An Audit Report on the General Land Office's Administration of Real Estate Transactions (State Auditor's Office Report No. 16-018, March 2016)</i> | 5 | 0 | 0 | 5 | 100% |
| | <i>An Audit Report on Incentive Compensation at the Permanent School Fund, General Land Office, Employees Retirement System, and Teacher Retirement System (State Auditor's Office Report No. 16-030, June 2016)</i> | 1 | 0 | 0 | 1 | 100% |
| Agency 313 - Department of Information Resources | | 0 | 0 | 1 | 1 | 0% |
| 2016 | <i>An Audit Report on Selected Agencies' Use of Department of Information Resources Information Technology Staffing Services Contracts (State Auditor's Office Report No. 16-020, March 2016)</i> | 0 | 0 | 1 | 1 | 0% |
| Agency 320 - Texas Workforce Commission | | 1 | 0 | 0 | 1 | 100% |
| 2016 | <i>An Audit Report on Selected Agencies' Use of Department of Information Resources Information Technology Staffing Services Contracts (State Auditor's Office Report No. 16-020, March 2016)</i> | 1 | 0 | 0 | 1 | 100% |
| Agency 323 - Teacher Retirement System | | 0 | 0 | 1 | 1 | 0% |
| 2016 | <i>An Audit Report on Incentive Compensation at the Permanent School Fund, General Land Office, Employees Retirement System, and Teacher Retirement System (State Auditor's Office Report No. 16-030, June 2016)</i> | 0 | 0 | 1 | 1 | 0% |
| Agency 327 - Employees Retirement System | | 14 | 0 | 0 | 14 | 100% |
| 2014 | <i>An Audit Report on Incentive Compensation at the Teacher Retirement System, the Permanent School Fund, the General Land Office, and the Employees Retirement System (State Auditor's Office Report No. 14-033, May 2014)</i> | 1 | 0 | 0 | 1 | 100% |

Self-reported Implementation Status of State Auditor's Office Recommendations

for Reports Issued From September 1, 2013, through June 2016

(Includes only implementation status requested by the State Auditor's Office by December 30, 2016) ^a

| Fiscal Year Report Released | Report Name | Reported as Fully Implemented | Reported as Substantially Implemented | Reported as Incomplete/Ongoing | Total | Percent Fully Implemented |
|--|---|-------------------------------|---------------------------------------|--------------------------------|----------|---------------------------|
| 2015 | <i>An Audit Report on the HealthSelect Contract at the Employees Retirement System (State Auditor's Office Report No. 15-007, November 2014)</i> | 10 | 0 | 0 | 10 | 100% |
| | <i>An Audit Report on Incentive Compensation at Selected Agencies (State Auditor's Office Report No. 15-032, May 2015)</i> | 1 | 0 | 0 | 1 | 100% |
| 2016 | <i>An Audit Report on Benefits Proportionality at the Office of the Comptroller of Public Accounts, the Teacher Retirement System, and the Employees Retirement System (State Auditor's Office Report No. 16-003, September 2015)</i> | 1 | 0 | 0 | 1 | 100% |
| | <i>An Audit Report on Incentive Compensation at the Permanent School Fund, General Land Office, Employees Retirement System, and Teacher Retirement System (State Auditor's Office Report No. 16-030, June 2016)</i> | 1 | 0 | 0 | 1 | 100% |
| Agency 329 - Real Estate Commission | | 2 | 0 | 0 | 2 | 100% |
| 2015 | <i>An Audit Report on the Real Estate Commission: A Self-directed Semi-independent Agency (State Auditor's Office Report No. 14-037, September 2014)</i> | 2 | 0 | 0 | 2 | 100% |
| Agency 347 - Texas Public Finance Authority | | 4 | 1 | 0 | 5 | 80% |
| 2016 | <i>An Audit Report on Financial Processes at the Texas Public Finance Authority (State Auditor's Office Report No. 16-029, May 2016)</i> | 4 | 1 | 0 | 5 | 80% |
| Agency 362 - Texas Lottery Commission | | 5 | 0 | 0 | 5 | 100% |
| 2014 | <i>An Audit Report on the LatinWorks Marketing Contract at the Texas Lottery Commission (State Auditor's Office Report No. 14-036, June 2014)</i> | 3 | 0 | 0 | 3 | 100% |
| 2016 | <i>An Audit Report on the Texas Lottery Commission's Administration of Selected Instant Ticket Contracts (State Auditor's Office Report No. 16-028, May 2016)</i> | 2 | 0 | 0 | 2 | 100% |
| Agency 405 - Department of Public Safety | | 4 | 1 | 2 | 7 | 57% |
| 2016 | <i>An Audit Report on Selected Contracts at the Department of Public Safety (State Auditor's Office Report No. 16-023, May 2016)</i> | 3 | 1 | 0 | 4 | 75% |
| | <i>An Audit Report on the Criminal Justice Information System at the Department of Public Safety and the Texas Department of Criminal Justice (State Auditor's Office Report No. 16-025, May 2016)</i> | 1 | 0 | 2 | 3 | 33% |

Self-reported Implementation Status of State Auditor's Office Recommendations

for Reports Issued From September 1, 2013, through June 2016

(Includes only implementation status requested by the State Auditor's Office by December 30, 2016) ^a

| Fiscal Year Report Released | Report Name | Reported as Fully Implemented | Reported as Substantially Implemented | Reported as Incomplete/Ongoing | Total | Percent Fully Implemented |
|--|---|-------------------------------|---------------------------------------|--------------------------------|-------|---------------------------|
| Agency 407 - Texas Commission on Law Enforcement ^c | | 3 | 0 | 0 | 3 | 100% |
| 2014 | <i>An Audit Report on Performance Measures at the Commission on Law Enforcement Officer Standards and Education (State Auditor's Office Report No. 14-003, October 2013)</i> | 3 | 0 | 0 | 3 | 100% |
| Agency 448 - Office of Injured Employee Counsel | | 2 | 0 | 0 | 2 | 100% |
| 2015 | <i>An Audit Report on the Office of Injured Employee Counsel (State Auditor's Office Report No. 15-027, March 2015)</i> | 2 | 0 | 0 | 2 | 100% |
| Agency 454 - Department of Insurance | | 1 | 0 | 0 | 1 | 100% |
| 2015 | <i>An Audit Report on Selected State Entities' Compliance with Requirements Related to the Historically Underutilized Business Program and the State Use Program (State Auditor's Office Report No. 15-006, October 2014)</i> | 1 | 0 | 0 | 1 | 100% |
| Agency 464 - Board of Professional Land Surveying | | 3 | 0 | 0 | 3 | 100% |
| 2015 | <i>An Audit Report on Performance Measures at the Board of Professional Land Surveying (State Auditor's Office Report No. 15-040, August 2015)</i> | 3 | 0 | 0 | 3 | 100% |
| Agency 503 - Texas Medical Board | | 3 | 0 | 0 | 3 | 100% |
| 2014 | <i>An Audit Report on Performance Measures at the Texas Medical Board (State Auditor's Office Report No. 14-029, April 2014)</i> | 3 | 0 | 0 | 3 | 100% |
| Agency 504 - Texas State Board of Dental Examiners | | 4 | 0 | 0 | 4 | 100% |
| 2014 | <i>An Audit Report on Performance Measures at the Texas State Board of Dental Examiners (State Auditor's Office Report No. 14-018, February 2014)</i> | 4 | 0 | 0 | 4 | 100% |
| Agency 506 - The University of Texas M.D. Anderson Cancer Center | | 1 | 0 | 0 | 1 | 100% |
| 2015 | <i>An Audit Report on Selected State Entities' Compliance with Requirements Related to the Historically Underutilized Business Program and the State Use Program (State Auditor's Office Report No. 15-006, October 2014)</i> | 1 | 0 | 0 | 1 | 100% |
| Agency 507 - Texas Board of Nursing | | 3 | 0 | 1 | 4 | 75% |
| 2016 | <i>An Audit Report on Financial Processes at the Texas Board of Nursing (State Auditor's Office Report No. 16-022, April 2016)</i> | 3 | 0 | 1 | 4 | 75% |

Self-reported Implementation Status of State Auditor's Office Recommendations

for Reports Issued From September 1, 2013, through June 2016

(Includes only implementation status requested by the State Auditor's Office by December 30, 2016) ^a

| Fiscal Year Report Released | Report Name | Reported as Fully Implemented | Reported as Substantially Implemented | Reported as Incomplete/Ongoing | Total | Percent Fully Implemented |
|---|---|-------------------------------|---------------------------------------|--------------------------------|-------|---------------------------|
| Agency 508 - Board of Chiropractic Examiners | | 6 | 2 | 0 | 8 | 75% |
| 2015 | <i>An Audit Report on Performance Measures at the Board of Chiropractic Examiners (State Auditor's Office Report No. 15-029, March 2015)</i> | 6 | 2 | 0 | 8 | 75% |
| Agency 514 - Optometry Board | | 3 | 0 | 0 | 3 | 100% |
| 2015 | <i>An Audit Report on Performance Measures at the Optometry Board (State Auditor's Office Report No. 15-041, August 2015)</i> | 3 | 0 | 0 | 3 | 100% |
| Agency 515 - Board of Pharmacy | | 5 | 1 | 0 | 6 | 83% |
| 2015 | <i>An Audit Report on Inspections of Compounding Pharmacies at the Board of Pharmacy (State Auditor's Office Report No. 15-039, August 2015)</i> | 5 | 1 | 0 | 6 | 83% |
| Agency 520 - Board of Examiners of Psychologists | | 3 | 0 | 0 | 3 | 100% |
| 2015 | <i>An Audit Report on Performance Measures at the Board of Examiners of Psychologists (State Auditor's Office Report No. 15-038, August 2015)</i> | 3 | 0 | 0 | 3 | 100% |
| Agency 529 - Health and Human Services Commission | | 14 | 7 | 1 | 22 | 64% |
| 2014 | <i>An Audit Report on Information and Communications Technology Cooperative Contracts at the Health and Human Services Commission (State Auditor's Office Report No. 14-013, December 2013)</i> | 4 | 1 | 0 | 5 | 80% |
| | <i>An Audit Report on Selected Contracts at the Health and Human Services Commission (State Auditor's Office Report No. 14-035, June 2014)</i> | 2 | 0 | 1 | 3 | 67% |
| 2015 | <i>An Audit Report on Selected State Entities' Compliance with Requirements Related to the Historically Underutilized Business Program and the State Use Program (State Auditor's Office Report No. 15-006, October 2014)</i> | 0 | 1 | 0 | 1 | 0% |
| | <i>An Audit Report on the Telecommunications Managed Services Contract at the Health and Human Services Commission (State Auditor's Office Report No. 15-017, December 2014)</i> | 4 | 3 | 0 | 7 | 57% |
| | <i>An Audit Report on Procurement for Terrell State Hospital Operations at the Health and Human Services Commission and the Department of State Health Services (State Auditor's Office Report No. 15-030, March 2015)</i> | 1 | 1 | 0 | 2 | 50% |

Self-reported Implementation Status of State Auditor's Office Recommendations

for Reports Issued From September 1, 2013, through June 2016

(Includes only implementation status requested by the State Auditor's Office by December 30, 2016) ^a

| Fiscal Year Report Released | Report Name | Reported as Fully Implemented | Reported as Substantially Implemented | Reported as Incomplete/Ongoing | Total | Percent Fully Implemented |
|--|---|-------------------------------|---------------------------------------|--------------------------------|----------|---------------------------|
| 2016 | <i>An Audit Report on Capital Budgets at Health and Human Services Agencies (State Auditor's Office Report No. 15-044, August 2015)</i> | 2 | 0 | 0 | 2 | 100% |
| | <i>An Audit Report on Selected Agencies' Use of Department of Information Resources Information Technology Staffing Services Contracts (State Auditor's Office Report No. 16-020, March 2016)</i> | 0 | 1 | 0 | 1 | 0% |
| | <i>An Audit Report on a Selected Contract at the Department of State Health Services (State Auditor's Office Report No. 16-031, June 2016)</i> | 1 | 0 | 0 | 1 | 100% |
| Agency 530 - Department of Family and Protective Services | | 3 | 0 | 0 | 3 | 100% |
| 2014 | <i>An Audit Report on Compliance with Benefits Proportional by Fund Requirements at Selected State Entities (State Auditor's Office Report No. 14-027, March 2014)</i> | 2 | 0 | 0 | 2 | 100% |
| 2015 | <i>An Audit Report on Capital Budgets at Health and Human Services Agencies (State Auditor's Office Report No. 15-044, August 2015)</i> | 1 | 0 | 0 | 1 | 100% |
| Agency 537 - Department of State Health Services | | 2 | 0 | 3 | 5 | 40% |
| 2015 | <i>An Audit Report on Selected State Entities' Compliance with Requirements Related to the Historically Underutilized Business Program and the State Use Program (State Auditor's Office Report No. 15-006, October 2014)</i> | 1 | 0 | 0 | 1 | 100% |
| 2016 | <i>An Audit Report on Capital Budgets at Health and Human Services Agencies (State Auditor's Office Report No. 15-044, August 2015)</i> | 1 | 0 | 0 | 1 | 100% |
| | <i>An Audit Report on Selected Agencies' Use of Department of Information Resources Information Technology Staffing Services Contracts (State Auditor's Office Report No. 16-020, March 2016)</i> | 0 | 0 | 1 | 1 | 0% |
| | <i>An Audit Report on a Selected Contract at the Department of State Health Services (State Auditor's Office Report No. 16-031, June 2016)</i> | 0 | 0 | 2 | 2 | 0% |
| Agency 538 - Department of Assistive and Rehabilitative Services ^d | | 3 | 0 | 0 | 3 | 100% |
| 2014 | <i>An Audit Report on Compliance with Benefits Proportional by Fund Requirements at Selected State Entities (State Auditor's Office Report No. 14-027, March 2014)</i> | 2 | 0 | 0 | 2 | 100% |

Self-reported Implementation Status of State Auditor's Office Recommendations

for Reports Issued From September 1, 2013, through June 2016

(Includes only implementation status requested by the State Auditor's Office by December 30, 2016) ^a

| Fiscal Year Report Released | Report Name | Reported as Fully Implemented | Reported as Substantially Implemented | Reported as Incomplete/Ongoing | Total | Percent Fully Implemented |
|---|--|-------------------------------|---------------------------------------|--------------------------------|-------|---------------------------|
| 2015 | <i>An Audit Report on Capital Budgets at Health and Human Services Agencies (State Auditor's Office Report No. 15-044, June 2016)</i> | 1 | 0 | 0 | 1 | 100% |
| Agency 539 - Department of Aging and Disability Services ^e | | 5 | 0 | 0 | 5 | 100% |
| 2014 | <i>An Audit Report on Performance Measures at the Department of Aging and Disability Services (State Auditor's Office Report No. 14-032, May 2014)</i> | 3 | 0 | 0 | 3 | 100% |
| 2015 | <i>An Audit Report on Capital Budgets at Health and Human Services Agencies (State Auditor's Office Report No. 15-044, June 2016)</i> | 2 | 0 | 0 | 2 | 100% |
| Agency 544 - Texas Civil Commitment Office ^f | | 3 | 0 | 0 | 3 | 100% |
| 2015 | <i>An Audit Report on the Office of Violent Sex Offender Management (State Auditor's Office Report No. 15-018, January 2015)</i> | 3 | 0 | 0 | 3 | 100% |
| Agency 551 - Department of Agriculture | | 6 | 2 | 0 | 8 | 75% |
| 2016 | <i>An Audit Report on Financial Reporting and Contracting at the Department of Agriculture (State Auditor's Office Report No. 16-019, March 2016)</i> | 6 | 2 | 0 | 8 | 75% |
| Agency 580 - Water Development Board | | 2 | 0 | 0 | 2 | 100% |
| 2014 | <i>An Audit Report on Compliance with Benefits Proportional by Fund Requirements at Selected State Entities (State Auditor's Office Report No. 14-027, March 2014)</i> | 2 | 0 | 0 | 2 | 100% |
| Agency 582 - Commission on Environmental Quality | | 7 | 0 | 0 | 7 | 100% |
| 2014 | <i>An Audit Report on Information and Communications Technology Cooperative Contracts at the Commission on Environmental Quality (State Auditor's Office Report No. 14-012, December 2013)</i> | 6 | 0 | 0 | 6 | 100% |
| 2015 | <i>An Audit Report on Selected State Entities' Compliance with Requirements Related to the Historically Underutilized Business Program and the State Use Program (State Auditor's Office Report No. 15-036, July 2015)</i> | 1 | 0 | 0 | 1 | 100% |
| Agency 601 - Department of Transportation | | 9 | 0 | 3 | 12 | 75% |
| 2015 | <i>An Audit Report on a Construction Contract at the Department of Transportation (State Auditor's Office Report No. 15-033, June 2015)</i> | 6 | 0 | 1 | 7 | 86% |

Self-reported Implementation Status of State Auditor's Office Recommendations

for Reports Issued From September 1, 2013, through June 2016

(Includes only implementation status requested by the State Auditor's Office by December 30, 2016) ^a

| Fiscal Year Report Released | Report Name | Reported as Fully Implemented | Reported as Substantially Implemented | Reported as Incomplete/Ongoing | Total | Percent Fully Implemented |
|---|---|-------------------------------|---------------------------------------|--------------------------------|-------|---------------------------|
| 2016 | <i>An Audit Report on Selected Business Opportunity Programs at the Department of Transportation (State Auditor's Office Report No. 16-002, September 2015)</i> | 3 | 0 | 2 | 5 | 60% |
| Agency 644 - Juvenile Justice Department | | 2 | 1 | 1 | 4 | 50% |
| 2014 | <i>An Audit Report on the Reading Program at the Juvenile Justice Department (State Auditor's Office Report No. 14-001, September 2013)</i> | 2 | 1 | 1 | 4 | 50% |
| Agency 696 - Department of Criminal Justice | | 4 | 0 | 4 | 8 | 50% |
| 2014 | <i>An Audit Report on Selected Contracts at the Department of Criminal Justice (State Auditor's Office Report No. 14-019, February 2014)</i> | 4 | 0 | 0 | 4 | 100% |
| 2016 | <i>An Audit Report on the Criminal Justice Information System at the Department of Public Safety and the Texas Department of Criminal Justice (State Auditor's Office Report No. 16-025, May 2016)</i> | 0 | 0 | 4 | 4 | 0% |
| Agency 701 - Texas Education Agency | | 4 | 0 | 0 | 4 | 100% |
| 2014 | <i>An Audit Report on Incentive Compensation at the Teacher Retirement System, the Permanent School Fund, the General Land Office, and the Employees Retirement System (State Auditor's Office Report No. 14-033, May 2014)</i> | 1 | 0 | 0 | 1 | 100% |
| 2015 | <i>An Audit Report on Selected Major Agreements Under the Texas Economic Development Act (State Auditor's Office Report No. 15-009, November 2014)</i> | 3 | 0 | 0 | 3 | 100% |
| Agency 710 - Texas A&M University System | | 0 | 1 | 0 | 1 | 0% |
| 2015 | <i>An Audit Report on Selected State Entities' Compliance with Requirements Related to the Historically Underutilized Business Program and the State Use Program (State Auditor's Office Report No. 15-006, October 2014)</i> | 0 | 1 | 0 | 1 | 0% |
| Agency 730 - University of Houston | | 1 | 0 | 0 | 1 | 100% |
| 2015 | <i>An Audit Report on Selected State Entities' Compliance with Requirements Related to the Historically Underutilized Business Program and the State Use Program (State Auditor's Office Report No. 15-036, July 2015)</i> | 1 | 0 | 0 | 1 | 100% |

Self-reported Implementation Status of State Auditor's Office Recommendations

for Reports Issued From September 1, 2013, through June 2016

(Includes only implementation status requested by the State Auditor's Office by December 30, 2016) ^a

| Fiscal Year Report Released | Report Name | Reported as Fully Implemented | Reported as Substantially Implemented | Reported as Incomplete/Ongoing | Total | Percent Fully Implemented |
|--|---|-------------------------------|---------------------------------------|--------------------------------|-------|---------------------------|
| Agency 733 - Texas Tech University | | 1 | 0 | 0 | 1 | 100% |
| 2015 | <i>An Audit Report on Selected State Entities' Compliance with Requirements Related to the Historically Underutilized Business Program and the State Use Program (State Auditor's Office Report No. 15-006, October 2014)</i> | 1 | 0 | 0 | 1 | 100% |
| Agency 735 - Midwestern State University | | 0 | 1 | 0 | 1 | 0% |
| 2016 | <i>An Audit Report on Benefits Proportionality at Higher Education Institutions (State Auditor's Office Report No. 16-024, May 2016)</i> | 0 | 1 | 0 | 1 | 0% |
| Agency 772 - School for the Deaf | | 3 | 0 | 0 | 3 | 100% |
| 2014 | <i>An Audit Report on Compliance with Benefits Proportional by Fund Requirements at Selected State Entities (State Auditor's Office Report No. 14-027, March 2014)</i> | 2 | 0 | 0 | 2 | 100% |
| 2016 | <i>An Audit Report on Deferred Maintenance for the School for the Deaf (State Auditor's Office Report No. 16-008, October 2015)</i> | 1 | 0 | 0 | 1 | 100% |
| Agency 781 - Higher Education Coordinating Board | | 11 | 0 | 0 | 11 | 100% |
| 2014 | <i>An Audit Report on Performance Measures at the Higher Education Coordinating Board (State Auditor's Office Report No. 14-008, October 2013)</i> | 8 | 0 | 0 | 8 | 100% |
| 2015 | <i>An Audit Report on Financial Management Processes at the Higher Education Coordinating Board (State Auditor's Office Report No. 15-028, March 2015)</i> | 3 | 0 | 0 | 3 | 100% |
| Agency 802 - Parks and Wildlife Department | | 5 | 0 | 0 | 5 | 100% |
| 2014 | <i>An Audit Report on Selected Contracts at the Parks and Wildlife Department (State Auditor's Office Report No. 14-042, August 2014)</i> | 5 | 0 | 0 | 5 | 100% |
| Agency 813 - Commission on the Arts | | 4 | 0 | 0 | 4 | 100% |
| 2014 | <i>An Audit Report on Performance Measures at the Commission on the Arts (State Auditor's Office Report No. 14-006, October 2013)</i> | 4 | 0 | 0 | 4 | 100% |

^a Table 2 does not show changes in the implementation status requested by the State Auditor's Office by December 30, 2017.

^b The State Auditor's Office originally issued *An Audit Report on the Major Events Trust Fund (State Auditor's Office Report No. 16-001, September 2015)* to the Office of the Comptroller of Public Accounts. The 84th Legislature transferred administration of the Major Events Trust Fund to the Office of the Governor; therefore, the Office of the Governor provided the implementation status information presented in this table.

^c The Texas Commission on Law Enforcement was formally known as the Texas Commission on Law Enforcement Officer Standards and Education.

Self-reported Implementation Status of State Auditor's Office Recommendations

for Reports Issued From September 1, 2013, through June 2016

(Includes only implementation status requested by the State Auditor's Office by December 30, 2016) ^a

| Fiscal Year Report Released | Report Name | Reported as Fully Implemented | Reported as Substantially Implemented | Reported as Incomplete/Ongoing | Total | Percent Fully Implemented |
|-----------------------------|-------------|-------------------------------|---------------------------------------|--------------------------------|-------|---------------------------|
|-----------------------------|-------------|-------------------------------|---------------------------------------|--------------------------------|-------|---------------------------|

^d The Department of Assistive and Rehabilitative Services was abolished as of September 1, 2016, and its programs and services were transferred to the Texas Workforce Commission and the Health and Human Services Commission.

^e The Department of Aging and Disability Services was abolished as of September 1, 2017, and its programs and services were transferred to the Health and Human Services Commission.

^f The Texas Civil Commitment Office was formerly known as the Office of Violent Sex Offender Management.

Source: Agencies' self-reported implementation status in the State Auditor's Office's Audit and Results system as of October 25, 2017. Auditors verified the accuracy of the self-reported implementation status for only the recommendations in Table 1. As noted in this report, that work did not include the same tests and confirmations that would be performed in an audit.