



A Report on State Agency Reporting Requirements for Local Governments

A Report on

February 21, 2017

Members of the Legislative Audit Committee:

Texas Government Code, Section 783.010, specifies that state agencies that require local governments to submit reports must conduct biennial, zero-based reviews of their reporting requirements and that the state auditor may audit state agencies for compliance (see text box for additional details).

In October 2016, the State Auditor's Office surveyed 75 state agencies to determine whether those state agencies required reports from local governments. In response to that survey:

- A total of 47 state agencies reported that they did not require reports from local governments or were not subject to Texas Government Code, Section 783.010.
- A total of four state agencies did not respond to the survey.
- A total of 24 state agencies reported that they required reports from local governments. The attachment to this letter lists the names of those 24 state agencies. Of those 24 state agencies, 12 reported that they had conducted some type of review of their reporting requirements during the 2014-2015 biennium.

In November 2016, the State Auditor's Office surveyed the 12 state agencies that reported they had conducted reviews during the 2014-2015 biennium and determined the following:

- Three of the 12 state agencies reported that they documented their reviews of reporting requirements.¹ Specifically:
 - The Office of the Attorney General provided a table noting the reporting requirements it reviewed, the requirement changes it discussed, and requirement changes it made.
 - The Department of Public Safety provided emails demonstrating its staff's requested revisions to reporting requirements.

Background Information

Excerpts from Texas Government Code,
Section 783.010

Section 783.010(a). A state agency that requires reports of local governments shall, during the second year of each state biennium, conduct a zero-based review of reporting requirements imposed on local governments and shall simplify the reporting requirements and determine and eliminate unnecessary, duplicative, or overly burdensome reporting requirements.

Section 783.010(b). Based on the results of these reviews, the state agency shall recommend to the legislature statutory changes to minimize cost, duplication, and paperwork and to maximize the efficient and effective use of public funds.

Section 783.010(f). The state auditor may audit for compliance with these provisions.

Project Objective

The objective of this project was to survey state agencies and analyze their reporting requirements for local governments.

This project was not an audit, and the information in this report was not subjected to all the tests and confirmations that would be performed in an audit. However, the information in this report was subject to certain quality control procedures to ensure accuracy.

SAO Report No. 17-026

¹ The State Auditor's Office did not assess the adequacy of the documentation the state agencies provided.

- The Department of Agriculture provided emails and a draft manual that included revisions to its reporting requirements.
- None of the 12 state agencies reported that they made recommendations to the Legislature based on the results of their reviews. Specifically:
 - Three state agencies reported that they were already allowed by statute to make the necessary changes resulting from their reviews.
 - Eight state agencies reported that no changes were necessary based on the results of their reviews.
 - One state agency specified that the staff who conducted the review had retired, resigned, or transferred to another state agency (along with the program requiring the report).
- Five of the 12 state agencies reported that they changed their policies and procedures based on the results of their reviews, and they provided documentation showing the changes they made. Specifically:
 - The Office of the Attorney General reported that it revised the instructions for reporting to provide more detail and clarification and refined certain reporting requirements to provide ease of reporting for grantees.
 - The Department of Public Safety reported that it revised requirements to allow submission of locally developed reports in lieu of Department of Public Safety forms, but only if the locally developed reports contained the required criteria.
 - The Department of Transportation reported that it had changed its reporting to an online system, which it asserted helps automate the grant reporting process and eliminates associated paperwork for grant recipients.
 - The Department of Motor Vehicles reported that, after reviewing existing grantee reporting requirements, it updated the reporting requirements to allow for ledgers, local official certifications, and audit sampling documentation to be used as primary support for certain grantee payment requests. The Department of Motor Vehicles also reported that it verifies the documentation before it releases any payments.
 - The Parks and Wildlife Department reported that it implemented an online grant application and reporting system to ease reporting burdens and introduce efficiencies into a grant program.

If you have any questions, please contact Michael Simon, Audit Manager, or me at (512) 936-9500.

Sincerely,

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

Attachment

cc: The Honorable Greg Abbott, Governor
Boards, Commissions, Executive Directors, and Heads of the Following State Agencies
Alcoholic Beverage Commission
Bond Review Board
Commission on the Arts
Commission on Environmental Quality
Commission on Fire Protection
Commission on Jail Standards
Commission on Law Enforcement
Commission on State Emergency Communications
Department of Agriculture
Department of Housing and Community Affairs
Department of Motor Vehicles
Department of Public Safety
Department of Transportation
Facilities Commission
General Land Office
Health and Human Services Commission
Historical Commission
Juvenile Justice Department
Library and Archives Commission
Office of the Attorney General
Parks and Wildlife Department
Railroad Commission
Veterans Commission
Water Development Board



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Attachment

State Agencies' Self-Reported Information

In response to the State Auditor's Office's survey, 24 state agencies reported that they required reports from local governments at some point from September 1, 2010, through August 31, 2016. Table 1 lists those state agencies.

Table 1

State Agencies That Reported They Required Reports from Local Governments at Some Point from September 1, 2010, through August 31, 2016
Alcoholic Beverage Commission
Bond Review Board
Commission on the Arts
Commission on Environmental Quality
Commission on Fire Protection
Commission on Jail Standards
Commission on Law Enforcement
Commission on State Emergency Communications
Department of Agriculture
Department of Housing and Community Affairs
Department of Motor Vehicles
Department of Public Safety
Department of Transportation
Facilities Commission
General Land Office
Health and Human Services Commission
Historical Commission
Juvenile Justice Department
Library and Archives Commission
Office of the Attorney General
Parks and Wildlife Department
Railroad Commission
Veterans Commission
Water Development Board

Source: State Auditor's Office survey results.