



An Audit Report on

The Funeral Service Commission

- The Commission's executive director, who joined the agency in August 2022, requested the SAO to conduct this audit.
- The Commission did not have an effective revenue process to ensure that funds were adequately safeguarded, deposited timely, and protected from loss, misuse, or abuse.
- The Commission did not have adequate safeguards over its licensing, enforcement, and financial records that may contain agency-critical or otherwise confidential information.

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State Auditor

The Funeral Service Commission (Commission) had significant weaknesses over its processes for revenue management and user access to confidential enforcement records. Further, the Commission lacked processes to regulate staff activities across the Commission—including licensing, enforcement, and financial operations—that could affect its ability to effectively function in these areas.

- *Recommendations* | p. 10
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This audit was conducted in accordance with Texas Government Code, Section 321.013.

PRIORITY

SIGNIFICANT FINANCIAL AND OPERATIONAL WEAKNESSES

- The Commission had weaknesses in its processes and safeguards. | p. 4
- The Commission had weaknesses throughout its cash receipt processes. | p. 5
- The Commission did not appropriately restrict access to its enforcement records. | p. 7
- The Commission did not sufficiently manage its documentation for its licensing and enforcement records. | p. 8
- The Commission suspended its complaint tracking and investigations. | p. 9

For more information about this audit, contact Audit Manager Becky Beachy or State Auditor Lisa Collier at 512-936-9500.

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Summary of Management Response

Auditors made recommendations to address the issues identified during this audit, provided at the end of Chapter 1. The Commission agreed with the recommendations.

Ratings Definitions

Auditors used professional judgment and rated the audit findings identified in this report. The issue ratings identified for each chapter were determined based on the degree of risk or effect of the findings in relation to the audit objective(s).

PRIORITY: Issues identified present risks or effects that if not addressed could *critically affect* the audited entity's ability to effectively administer the program(s)/function(s) audited. Immediate action is required to address the noted concern(s) and reduce risks to the audited entity.

HIGH: Issues identified present risks or effects that if not addressed could *substantially affect* the audited entity's ability to effectively administer the program(s)/function(s) audited. Prompt action is essential to address the noted concern(s) and reduce risks to the audited entity.

MEDIUM: Issues identified present risks or effects that if not addressed could *moderately affect* the audited entity's ability to effectively administer the program(s)/function(s) audited. Action is needed to address the noted concern(s) and reduce risks to a more desirable level.

LOW: The audit identified strengths that support the audited entity's ability to administer the program(s)/function(s) audited or the issues identified do not present significant risks *or* effects that would negatively affect the audited entity's ability to effectively administer the program(s)/function(s) audited.

For more on methodology for issue ratings, see Report Ratings in [Appendix 1](#).



PRIORITY

Chapter 1 Significant Financial and Operational Weaknesses

The Funeral Service Commission (Commission) had significant weaknesses in certain financial and operational processes. As a result, the Commission did not adequately safeguard its revenue and cash receipts or records containing confidential and sensitive information. In addition, the Commission did not have sufficient processes to direct staff in critical functions across the Commission—including licensing, enforcement, and financial operations—which may hinder its ability to effectively operate in these areas and accomplish its mission (see text box for information about the Commission’s mission).

Mission of the Funeral Service Commission

The mission of the Funeral Service Commission is to protect the public from deceptive practices in the funeral and death care industry through a process of impartial enforcement, inspection, licensing, and education in order to guarantee every citizen’s final disposition is conducted professionally and ethically.
Source: The Commission.

The Commission had weaknesses in its processes and safeguards.

Weaknesses in the agency’s financial, licensing, enforcement, and information technology functions included:

- The **process for handling revenue received** left cash, checks, and money orders unsecured and at a high risk of loss or theft.
- **Inadequate safeguards** over licensing, enforcement, and financial records that may contain agency-critical or otherwise confidential information, which allowed four former employees to access the Commission’s systems after leaving the agency.

- **Insufficient documented guidance**, operational policies and procedures, and training. Establishing well-developed, documented processes and providing staff training could help the Commission address the weaknesses identified in this report and promote more effective continuity of operations during periods of high employee turnover. One such period occurred in 2022, when during the four-month span between May and September the Commission experienced turnover of 69 percent of its workforce, including key leadership roles and positions responsible for providing licensing and enforcement services.
- **Inaccurate coding of revenues** in its accounting system, resulting in large discrepancies between its financial and licensing/enforcement systems, limiting the Commission's ability to reconcile recorded revenue with deposits in the State Treasury.
- **Missing or incomplete licensing and enforcement documentation**, including licensing applications, records demonstrating that licensees met requirements, and documentation for penalty assessments.
- **A suspension in tracking new complaints and conducting ongoing investigations**, due to employee turnover.



Revenue and Cash Receipts Processes

The Commission had weaknesses throughout its cash receipt processes.

The Commission received at least 23 percent of its revenue in the form of physical payments (cash, checks, and money orders) between September 1, 2021, and September 30, 2022. The Commission did not have an effective process to adequately safeguard these physical payments or deposit them within the required timeframe. There was no segregation of duties among the personnel handling these funds, increasing the risk of loss and fraud.

Receiving Cash Receipts. The Commission could not ensure that all funds it received were deposited. Specifically, the Commission was not consistently date-stamping and securing payments upon receipt. Payments were not separated from their accompanying forms, which were handled by various staff

members at different locations within the office during processing, and therefore could be easily lost or removed. The Commission asserted that some payments could not be located.

The Commission stated that it was not logging cash receipts before June 2022. It subsequently implemented a system for logging cash receipts. However, access to the log was not secure, and entries could be altered, added, or deleted by any person in the office.

Recording Cash Receipts. Certain cash receipts were not consistently assigned to the correct accounts in the accounting system. For example, administrative penalties reported as collected in Versa, the Commission's system of record for licensing and enforcement actions, did not reconcile to penalty payments recorded in the Commission's accounting system. A total of \$101,780 in penalties recorded in Versa between September 1, 2021, and September 30, 2022, could not be identified as penalty payments in the accounting system. This occurred because the agency was incorrectly coding penalties as professional fees, and was not performing reconciliations needed to identify errors or discrepancies. These reconciliations are important to ensure the Commission collected all penalties assessed and reported. As a result of miscoded cash receipts, the Commission may not be able to depend on its financial statements to provide accurate information for making decisions.

Depositing Cash Receipts. Because of the weaknesses in its cash receipts processes, the Commission did not deposit cash receipts within three business days, as required by statute. Specifically, 30 (97 percent) of the 31 deposit transactions tested either were not made timely or did not have documentation to indicate when they were received. The 13 (42 percent) transactions that did have the date of receipt documented were deposited, on average, 67 days late; one deposit was made 177 business days after receipt.

Segregation of Duties. Insufficient segregation of duties existed throughout the Commission's cash handling and financial processes, and several processes were handled mainly by one person. For example, one person entered cash receipts in the Commission's systems and also prepared the deposits. Segregation of duties is important for effective internal control because it reduces the risk of undetected errors, fraud, or theft.



Access to Enforcement Records

The Commission did not appropriately restrict access to its enforcement records.

The Commission stored confidential complaint investigation records in two locations: Versa and the shared network drive.

Versa enables the Commission to image and store all documentation relevant to its investigations. However, the Commission retained a significant portion of enforcement documentation related to complaint investigations on a shared network drive that can be accessed by all staff, who had the ability to view, modify, or delete that information. The Commission did not ensure that current employees' access to enforcement records was appropriately limited to their business needs or job functions.

The Commission also lacked documented policies and procedures for managing access to its system and network, including triggers for updating access in response to changes in employment status or responsibilities. As a result, the Commission did not immediately remove access for employees when they left the agency.

Network logs showed that four former employees, one of whom was terminated for cause, accessed the network after they left the agency. The Commission's system cannot determine what information was accessed or whether information was edited or deleted. During interviews with auditors, Commission staff asserted that investigative files were missing and that certain forms used for processing licenses, which also were missing, might have been deleted by a former employee. The Commission removed access for those four former employees after auditors brought the issue to its attention.

The Commission should ensure that all access is removed promptly when staff leave employment and appropriately limit access to its enforcement data and records for current staff, to reduce the risk of unintentional or unauthorized modification of that data, disclosure of sensitive or confidential information, and other compromises to the integrity of the Commission's enforcement data and records.



Licensing and Enforcement Documentation

The Commission did not sufficiently manage its documentation for its licensing and enforcement records.

Licensing. Of 31 revenue transactions tested, 6 (19 percent) lacked key documentation. These six licensing payment records were missing the associated license applications and other license records—such as proof of compliance with continuing education requirements, successful graduation from an accredited school or college of mortuary science, etc.—that are required for the issuance of new or renewed licenses. (See text box for information about the Commission’s licensing and enforcement responsibilities.)

Enforcement. The handling and storage of documentation to support enforcement investigations is decentralized. The documentation is imaged in multiple systems, as well as placed in different locations throughout the office, making it harder to locate and increasing the risk of loss and inappropriate disclosure. For example, one of the payment records tested was missing all documentation to indicate the reasons for and amount of the penalty assessment.

The Commission is required to retain this documentation to (1) demonstrate that the licensee met the standards and qualifications in Texas Occupations Code, Section 651, before being issued a license and (2) support its enforcement decisions.

The Commission is responsible for licensing and enforcement of standards and qualifications for:

- Funeral directors.
- Embalmers.
- Funeral establishments.
- Commercial embalming facilities.
- Crematory establishments.
- Certain cemeteries.

Source: Texas Occupations Code, Section 651.



Complaints and Investigations

The Commission suspended its complaint tracking and investigations.

In August 2022, the Commission halted all tracking of complaints. In addition, it was not performing investigations following the departure of its entire enforcement division. As of November 10, 2022, the Commission had received at least 39 new complaints that had not been reviewed and logged, as determined by auditors using hard-copy documentation. Given the suspension of complaint tracking, combined with the Commission's ineffective management of documentation, additional unlogged complaints may have been received.

The Commission hired a new investigator in November 2022 and stated that it was training this individual and planned to resume tracking and investigating complaints.

Recommendations

The Commission should:

- Develop, document, and implement entity-wide policies and procedures that communicate Commission requirements and practices, as well as provide guidance and create accountability for its financial, operational, and information technology processes. These procedures should address:
 - The requirements for collecting, recording, securing, and accounting for cash receipts.
 - Adequate segregation of duties for (1) opening cash receipts, (2) logging those receipts in its internal licensing and enforcement system, and (3) processing revenues in its accounting system.
 - The requirements for verifying the completeness and accuracy of its revenue, including the performance of key reconciliations, and the documentation and reviews required to support those processes.
 - Logging and tracking complaints received.
 - Information technology requirements and controls for managing access and confidential information.
- Log, date-stamp documents and secure revenue upon receipt.
- Ensure that revenue is deposited within three business days of receipt.
- Retain documentation that supports its revenue received, including required licensing and enforcement documents.
- Accurately record and account for revenue received in its accounting system.
- Limit access to cash receipts log to those responsible for inputting revenue received.
- Provide adequate staff training in the requirements for its key financial processes and mission-critical functions related to licensing and enforcement.

- Remove user access in a timely manner when employees leave the agency.
- Periodically review and ensure that user access privileges to enforcement data and records are appropriately restricted and align with users' job duties.
- Consider using its system of record, Versa, for storage of all confidential complaint investigation records to more effectively restrict access to those records and reduce risk of disclosure.

Management's Response

The Commission agrees with the State Auditors assessments as follows:

- **The Commission had weaknesses in its processes and safeguards.**
- **The Commission had weaknesses throughout its cash receipt processes.**
- **The Commission did not appropriately restrict access to its enforcement records.**
- **The Commission did not sufficiently manage its documentation for its licensing and enforcement records.**
- **The Commission suspended its complaint tracking and investigations.**
- Develop, document, and implement entity-wide policies and procedures that communicate Commission requirements and practices, as well as provide guidance and create accountability for its financial, operational, and information technology processes. These procedures should address:
 - o The requirements for collecting, recording, securing, and accounting for cash receipts.

The Commission has instituted reforms in this area already.

The Commission is collaborating with the Health Professions Council to provide our applicants/licensees with more opportunities required

Commission actions online. The Commission is prioritizing those applicant/licensee functions that involve the payment of funds.

The Commission is developing and institutionalizing its programs and procedures in order to facilitate staff training and improve governance. The Commission will evaluate the requirement for developing and maintaining programs and procedures and periodically reviewing program and procedures in Commission rule.

Position Responsible for Implementation: Executive Director

Timeline: September 1, 2023

On February 6, 2023, the Executive Director issued a memo to the entire staff titled: "Accountability and Processing of Funds." This memo reiterated the requirements under Government Code Section 404.094 on the processing of funds by the third business day. This memo directed the Commission's Licensing section to establish a check registry that only allows the two licensing staff members with change, delete, and other editing privileges. Other staff members, including the Executive Director will only possess view only privileges. (Immediately, the Executive Director will confirm with Licensing staff that they have accomplished this action and seek the technical guidance of the Health Professions Council to insure its accomplishment.)

Along with responding to email and telephonic communications, the other most important communicative aspect of the Commission is accepting and responding to mail. The Executive Director has assigned this responsibility to the Licensing staff because of the mail acceptance is inextricably linked to funds acceptance. Upon arrival, Licensing will secure the mail, organize and process the mail, and distribute the mail to the appropriate staff member. Once mail is delivered to the office, Licensing will shift its priorities to mail processing. The memo directs that staff will process all mail in the front of the office. Through the memo, the Executive Director has directed Licensing to date-stamp all pieces of mail. This will provide Commission leadership with another tool to ensure that the Commission is processing application processes and funds in a timely manner.

After date-stamping, Licensing staff will divide mail pieces accompanied with funds and mail pieces without funds. Licensing staff will distribute mail items that do not have funds to the appropriate staff.

For mail with funds, Licensing staff will inspect each mail item and ensure that the application is appropriate and that the applicant/licensee has remitted the correct funds amount. Licensing staff will record all funds received in the check registry with the name/entity remitting the funds, the date received in the TFSC office, the reason for the submission of funds to the TFSC, and the amount. If an applicant/licensee has submitted the incorrect fund amount, the TFSC Licensing staff has 24 hours to contact the applicant/licensee and inform her/him that the fund amount remitted is not correct.

Regardless if contact is or is not made with the applicant/licensee, the TFSC Licensing staff will return the funds to the applicant/licensee in 24 hours with a cover letter explaining why the TFSC returned the funds. Licensing staff will annotate in the check registry the date and reason why the TFSC is returning the funds. Any funds awaiting a resolution that extends to the next business day, the TFSC Licensing staff will secure those funds.

For appropriate applications with proper fund amount, the TFSC Licensing staff will process funds to the extent that the Versa will produce a file number. Then, in consultation with the TFSC Chief Financial Officer, Licensing will stamp each financial instrument and the document(s) accompanying the funds along with a DLN number. As they record funds received to the check registry, Licensing staff will enter the DLN number associated with the funds. Licensing staff will maintain a record of documents with a DLN number-stamp for two years.

Each business day will represent at least one batch. Licensing will do all of the Versa financial processing, including the creation of batch(s). Accounting will accomplish the financial processing in USAS. **DO NOT PHOTO COPY CHECKS. CHECKS HAVE SENSITIVE INFORMATION.**

If they cannot accomplish the directive explained above, the Commission's staff must notify the Executive Director. If the Executive Director waives any of the requirements outlined above, the Commission staff, under the supervision of the Executive Director must safeguard these funds. That is, there is only one identified place to store funds overnight in the Commission's office. Then Commission staff will then proceed to process these payments into Versa and then account for those funds with Commission's Chief Financial Officer.

Position Responsible for Implementation: Executive Director

Timeline: Immediately

o Adequate segregation of duties for (1) opening cash receipts, (2) logging those receipts in its internal licensing and enforcement system, and (3) processing revenues in its accounting system.

See above: “The requirements for collecting, recording, securing, and accounting for cash receipts.”

Position Responsible for Implementation: Executive Director

Timeline: Immediately

o The requirements for verifying the completeness and accuracy of its revenue, including the performance of key reconciliations, and the documentation and reviews required to support those processes.

See above: The requirements for collecting, recording, securing, and accounting for cash receipts. Additionally, the Executive Director will daily review the check registry with his “view only” privileges. After completing the deposit process, the Chief Financial Officer will generate a batch report that list the total batch amount, the number of receipts, and the entity/individual remitting the amount to the Executive Director. The Executive Director will confirm the total amount, number of receipts, and the individual(s)/entity(s) remitting funds to the TFSC. If he can confirm the accuracy of this report, the Executive Director will date and sign.

Position Responsible for Implementation: Executive Director

Timeline: Immediately

The Texas Board of Nursing has agreed to an invitation from the TFSC Executive Director to assess revised processes, assist in developing a training program, and provide third-party agency-peer validation.

Position Responsible for Implementation: Executive Director

Timeline: Immediately

o Logging and tracking complaints received.

The Executive Director has directed Compliance and Enforcement to comply with Texas Administrative Code, Title 22, Part 10, Chapter 203: Licensing and Enforcement – Specific Substantive Rules, Subchapter C:

Enforcement, Rule 203.41 Investigations, (a): “Upon receiving a written complaint, the complaint is given a complaint number and assigned to an Investigator for review. The Investigator performs an initial analysis to determine if the Commission has jurisdiction over the alleged violation and whether a violation of a statute or rule may have occurred.”

The Executive Director also empowered any staff member who Commission rule assigns or assigned job duties outline to initially process complaints, investigate complaints, and investigate complaints. Staffing challenges and other impediments should not impair available staff in fulfilling the TFSC consumer protection mandate regarding complaints.

The Executive Director has directed Compliance/Enforcement staff to determine the jurisdictional status of open complaints daily.

The Executive Director will lead a weekly meeting with Compliance/Enforcement staff. At this meeting, Compliance/Enforcement staff provide a status on the case resolution and highlight strategies to address open cases.

Position Responsible for Implementation: Executive Director
Timeline: Immediately

o Information technology requirements and controls for managing access and confidential information.

The Executive Director has coordinated with the Health Professions Council and arranged application accesses in Versa. For example, only Compliance/Enforcement staff has edit access in complaint files. The Executive Director and Inspections has “read only.” Licensing staff must seek the permission of the Executive Director to edit/change any fee amount in Versa. Additionally, the Executive Director is working with the Health Professions Council to establish an automated mechanism that restrict access for compliance data and information on Commission’s. Only Compliance/Enforcement staff will have access to the S:Drive.

Position Responsible for Implementation: Executive Director
Timeline: Immediately

- Log, date-stamp documents, and secure revenue upon receipt.

See above: “The requirements for collecting, recording, securing, and accounting for cash receipts.”

Position Responsible for Implementation: Executive Director

Timeline: Immediately

- Ensure that revenue is deposited within three business days of receipt.

See above: “The requirements for collecting, recording, securing, and accounting for cash receipts.”

Position Responsible for Implementation: Executive Director

Timeline: Immediately

- Retain documentation that supports its revenue received, including required licensing and enforcement documents.

See above: “The requirements for collecting, recording, securing, and accounting for cash receipts.”

Position Responsible for Implementation: Licensing Staff

Timeline: Immediately

- Accurately record and account for revenue received in its accounting system.

See above: “The requirements for collecting, recording, securing, and accounting for cash receipts.”

Position Responsible for Implementation: Chief Financial Officer

Timeline: Immediately

- Limit access to cash receipts log to those responsible for inputting revenue received.

See above: “The requirements for collecting, recording, securing, and accounting for cash receipts.” Executive Director has directed staff to limit change access to check registry spreadsheet to Licensing Staff.

Position Responsible for Implementation: Licensing Staff**Timeline: Immediately**

- Provide adequate staff training in the requirements for its key financial processes and mission-critical functions related to licensing and enforcement.

See above: “The requirements for collecting, recording, securing, and accounting for cash receipts.”

Position Responsible for Implementation: Executive Director**Timeline: Immediately**

- Remove user access in a timely manner when employees leave the agency.

Executive Director has directed Human Resources to draft an exit form/checklist of all actions a departing staff member must accomplish.

Position Responsible for Implementation: Human Resources Specialist**Timeline: Immediately**

- Periodically review and ensure that user access privileges to enforcement data and records are appropriately restricted and align with users’ job duties.

Health Profession Council facilitates this periodically.

Position Responsible for Implementation: Executive Director**Timeline: Immediately; Quarterly with HPC**

- Consider using its system of record, Versa, for storage of all confidential complaint investigation records to more effectively restrict access to those records and reduce risk of disclosure.

The Executive Director has directed Compliance/Enforcement to use Versa as the system of record.

Position Responsible for Implementation: Compliance/Investigations**Timeline: Immediately**



Appendix 1

Objectives, Scope, and Methodology

Objectives

The objectives of this audit were to:

- Determine whether the Funeral Service Commission (Commission) has processes and related controls to help ensure that it processes revenue and cash receipts in accordance with applicable requirements.
- Determine whether the Commission has processes and related controls to help ensure that access to records is controlled according to applicable requirements.

Scope

The scope of this performance audit included revenue collections and complaint data/records between September 1, 2021, and September 30, 2022.

The scope also included a review of significant internal control components related to the Commission’s revenue collection, complaint data/record management processes, and accuracy and completeness of revenue data.

The following members of the State Auditor’s staff performed the audit:



- Stacey Williams, CGAP (Project Manager)

- Jennifer Fries, MS (Assistant Project Manager)
- Alex Franklin, MPP
- Gabrielle Magadia
- Tyler Miller, CFE
- Michelle Ann Duncan Feller, CPA, CIA (Quality Control Reviewer)
- Becky Beachy, CIA, CGAP (Audit Manager)

Methodology

This audit was initiated at the request of the Commission’s executive director, who joined the agency in August 2022. We conducted this performance audit from September 2022 through March 2023 in accordance with generally accepted government auditing standards. Those standards require that we 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. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. In addition, during the audit, matters not required to be reported in accordance with *Government Auditing Standards* were communicated to executive management for consideration.

Addressing the Audit Objectives

During the audit, we performed the following:

- Interviewed Commission management and staff to gain an understanding of the Commission’s revenue and access management processes, including internal controls and information that supports those processes.
- Performed walk-throughs to observe key revenue processes as well as enforcement record storage.
- Identified the following relevant criteria:
 - Texas Government Code, Sections 404.094 and 441.183.
 - Texas Occupations Code, Chapter 651.
 - Texas Administrative Code, Title 22, Part 10.
 - Texas Administrative Code, Title 13, Part 1, Chapter 6.
 - Texas Administrative Code, Title 1, Part 10, Section 202.22.
 - The Department of Information Resources’ *Security Control Standards Catalog*, version 2.0.
- Determined the effectiveness of information technology controls related to Commission revenue and enforcement data/records by

testing user access to the Uniform Statewide Accounting System (USAS), the Commission's licensing and enforcement system (Versa), and the shared network drive, to assess whether the Commission appropriately restricted access.

- Determined effectiveness of processes and controls related to the Commission's cash receipt and revenue management process by testing compliance with deposit requirements, reviewing Commission revenue collection and reconciliation processes, and performing selected analysis of revenue collections.
- Tested cash receipts documentation to determine whether the Commission was complying with deposit and documentation requirements. Auditors tested a non-random sample of 19 deposit batches from Versa and USAS based on proportionate dollar amounts from deposits. Specifically, auditors selected a non-random sample of 17 out of 86 deposit batches from Versa, which could be reconciled with USAS deposits, as well as a non-random sample of 2 out of 16 USAS deposit batches, which could not be reconciled to Versa deposits. Auditors tested the deposit batches to ensure that they contained required documentation to support the deposit amounts. To test timeliness of deposit requirements and other documentation requirements, auditors tested 31 deposit transactions that were selected from the 19 deposit batches discussed above. The auditors selected 1 to 2 deposit transactions from each of the 19 deposit batches based on risk. This sample design was chosen to ensure that the sample included items with specific characteristics, such as dollar amounts, license payments, or penalty assessment payments. The sample items were not necessarily representative of the population; therefore, it would not be appropriate to project the test results to the population.

Data Reliability and Completeness

Auditors determined that the query used to pull deposit data from Versa and USAS was complete. However, the deposit data from Versa was of undetermined reliability. Versa deposit transactions could not be reconciled to USAS deposit transactions with a reasonable degree of certainty for the audit scope because the Commission was not accurately recording certain revenue transactions in USAS, as discussed in more detail under the Revenue and Cash Receipt section in Chapter 1.

Report Ratings

In determining the ratings of audit findings, auditors considered factors such as financial impact; potential failure to meet program/function objectives; noncompliance with state statute(s), rules, regulations, and other requirements or criteria; and the inadequacy of the design and/or operating effectiveness of internal controls. In addition, evidence of potential fraud, waste, or abuse; significant control environment issues; and little to no corrective action for issues previously identified could increase the ratings for audit findings. Auditors also identified and considered other factors when appropriate.



Copies of this report have been distributed to the following:

Legislative Audit Committee

The Honorable Dan Patrick, Lieutenant Governor, Joint Chair

The Honorable Dade Phelan, Speaker of the House, Joint Chair

The Honorable Joan Huffman, Senate Finance Committee

The Honorable Robert Nichols, Member, Texas Senate

The Honorable Greg Bonnen, House Appropriations Committee

The Honorable Morgan Meyer, House Ways and Means Committee

Office of the Governor

The Honorable Greg Abbott, Governor

Funeral Service Commission

Members of the Funeral Service Commission

Mr. James White, Executive Director



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