



# Texas State Board of Public Accountancy

333 Guadalupe, Tower 3 Suite 900, Austin, Texas 78701-3900

William Treacy, Executive Director

October 10, 2014

Ken Levine, Director  
Sunset Advisory Commission  
P O Box 13066  
Austin TX 78711

Dear Mr. Levine:

In response to your letter dated October 3, 2014 inviting comment on the Sunset Advisory Commission Staff Study on Self-Directed Semi-Independent (SDSI) Status of State Agencies please accept these respectfully submitted recommendations on behalf of the Texas State Board of Public Accountancy (TSBPA).

The first recommendation that we ask that you consider would be to include greater emphasis on the positive aspects of SDSI that were contained in the final results of the Sunset Review report of July 2013 such as the statement that says; *"However, the Legislature also benefits under this arrangement. The Legislature is freed from having to set appropriations and performance measures for the agencies and is able to raise \$1.6 million in revenue to the State each year from these agencies for their participation in this process."*

We would also ask that the report more clearly differentiate between those agencies that underwent review in the 2012-2013 time-frame from those agencies that did not and that the report highlight the safeguards that were put in place with the enactment of House Bill 1685 in response to the 2012-2013 report recommendations.

We would also like to bring to your attention a summary of reporting requirements required of this agency in the event you consider recommending additional reporting. This agency currently provides the following reports to the Legislature:

**Internal Audits:** this agency has an internal audit program that was established over 20 years ago in 1993. In accordance with the Internal Auditing Act (Texas Government Code, Chapter 2102), the annual internal audit reports are submitted to the Sunset Advisory Commission, the Governor's Office of Budget, Planning and Policy, the State Auditor's Office, and the Legislative Budget Board. Additionally, the internal audits are posted to this agency's website.

**Comptroller of Public Accounts Post Payment Audits:** this agency undergoes post payment audits as determined by the Comptroller. These reports are distributed to the agency's board and state officials and are included on the Comptroller's website.

**Office of the State Auditor Audits:** this agency is subject to state audits the timing of which is determined by the State Auditor.

**Government Code, Chapter 472: The Self Directed-Semi-Independent Agencies Act, Section 472.104 (a)** requires a report to be submitted to the Legislature and the Governor by the first day of the regular session of the legislature which describes all of the agency's activities in the previous biennium. **Section 472.104 (b)** requires an annual report to be submitted to the Governor, Senate Finance Committee, House Appropriations Committee, and the Legislative Budget Board.

**Texas Workforce Commission Civil Rights Division Review of Personnel Policies and Procedural Systems.** Pursuant to the Texas Labor Code Sections 21.451-456, this report is submitted to the Governor, Lieutenant Governor, Speaker of the House of Representatives, and the Legislative Budget Board.

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State Office of Risk Management Risk Management Program Review, pursuant to the Texas Labor Code, Chapter 412.

State Office of Risk Management Business Continuity Plan, pursuant to the Texas Labor Code, Chapter 412, Section 412.054.

Comptroller of Public Accounts, Annual HUB Reporting, pursuant to the Texas Government Code, Chapter 2161. This state wide report is submitted to each House of the Legislature and the Joint Committee.

Comptroller of Public Accounts, Annual Financial Report, pursuant to the Texas Government Code, Section 2101.011. This report is submitted to the Governor, Lieutenant Governor, Speaker of the House of Representatives, Office of the Comptroller, Legislative Budget Board, State Auditor, Legislative Reference Library, and the State Library.

Comptroller of Public Accounts, Annual Report of Nonfinancial Data, pursuant to the Texas Government Code, Section 2101.0115. This report is submitted to the Governor, Lieutenant Governor, Speaker of the House of Representatives, Office of the Comptroller, Legislative Budget Board, State Auditor, Legislative Reference Library, and the State Library.

Agency Strategic Plan, pursuant to the Texas Government Code, Section 2056, this report is submitted every two years to the Governor's Office of Budget, Planning and Policy and the Legislative Budget Board.

Report on Customer Service. Pursuant to the Texas Government Code, Section 2114, this report is submitted every two years to the Governor's Office of Budget, Planning and Policy and the Legislative Budget Board.

As the above list indicates, the Legislative Budget Board is already included in much of the mandatory reporting requirements.

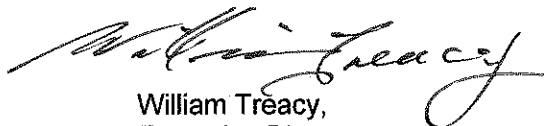
The October 2014 Study Results takes a broad brush approach that encompasses all SDSI agencies. The July 2013 Sunset report, of course, did not review all of the SDSI agencies and it stated, *"The Sunset review, in fact found that the SDSI Act was working as intended, that the agencies were operating responsibly, and the initiative should be continued."*

We would ask that the report make it clearer that the agencies that underwent Sunset Review have received a finding that they are operating responsibly.

We appreciate your consideration of these comments.

Yours very truly,

Texas State Board  
of Public Accountancy



William Treacy,  
Executive Director

XC: TSBPA Executive Committee