

contracts, and the state bidding requirements and other laws are followed.

### **Litigation and Complaints**

Ask executive management for information regarding pending and current lawsuits and internal and external complaints and monitor management's decisions regarding this information.

### **WHAT TO ASK**

Boards should ask their executive director and/or management any questions that arise from the Board's review of information. Ask general questions to gain an understanding of how the agency is being managed. These questions can include a review of any cost-benefit analysis to perform tasks internally versus outsourcing through contracting.

### **HOW TO USE IT**

Using the information gathered is important to achieve appropriate oversight. The Board should not "meddle" in the day-to-day operations of the agency, but it should oversee enough to prevent significant problems from occurring at the agency. An effective board should help set the strategic direction and overall objectives for the agency, empower a management team to carry out the objectives, and monitor the results. Finally, boards should consider using outside experts on technical issues as needed.

### **WE ARE HERE TO HELP**

The Texas State Auditor's Office would like to offer our assistance. We want boards to succeed as they govern their state agencies in an effort to make a difference in the lives of the citizens of Texas. We encourage board members to contact us with questions, comments, or requests for assistance.

**For More Information  
Call 512-479-4700  
State Auditor's Office**



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## **INFORMATION STATE GOVERNING BOARDS SHOULD REQUEST FROM THE AGENCIES THEY GOVERN**

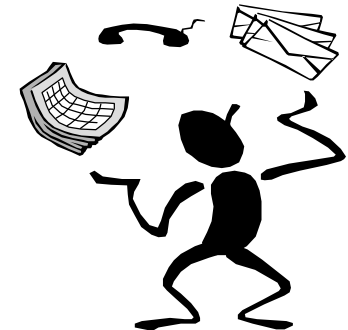
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- *Documents to Review*
- *Questions to Ask*
- *Things to Look for*
- *Ways to Use Information for Oversight*

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*Boards that Make a Difference  
for Texas Citizens*

## **Information Boards Need...**



# WHAT INFORMATION SHOULD BOARDS REQUEST FROM THE AGENCIES THEY GOVERN?

Boards that make a difference know what information they need to provide appropriate oversight to the agencies that they govern. They understand what to look for once they receive the information. Agencies have a lot of information available for review by Board members. Knowing where to start is the first step in gathering the information needed to effectively govern the agency.

## WHERE TO START

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**Here is a checklist for useful information:**

- Strategic Plans
- Performance Measures Reports
- Enabling Legislation
- Rules and Regulations
- Policies and Procedures
- Internal and External Audit Reports
- Financial Reports and Budget Reports
- Contracts

- Potential or Actual Lawsuits
- Internal or External Complaints

## WHAT TO LOOK FOR

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### **Agency Strategic Plans, Performance Measures Reports, Enabling Legislation, and Agency Rules**

When reviewing the strategic plan's internal/external assessment, determine what risks and opportunities face the agency or board and determine what executive management has done to plan for, prevent, address, or manage those risks and opportunities.

Review the strategic plans, performance measures reports, enabling legislation and agency rules. Ensure that the agency mission is in line with and the Board's expectations are reflected in all these documents.

Additionally, identify other planning and performance issues. For example, if performance targets for output measures are being met, but performance targets for outcome measures are not met or improving over time, strategies may need to be re-examined. Determine if there is a better way to accomplish the goals of the agency.

### **Internal and External Audit Reports**

Review all internal and external audit reports from the last two years. Continue to review new audit reports

and monitor implementation of recommendations from previous audits on a regular basis such as quarterly.

### **Financial Reports, Quarterly and Annual Budget Reports**

Review financial and budget reports for anything irregular. Determine the differences between year-to-date actual and budgeted amounts. When reviewing these reports, it helps to compare these amounts to amounts from the past three years. This comparison and other irregularities noted allow boards to assess whether the data is reasonable. The Board should pay particular attention to new items, deleted items, new initiatives, large capital expenditures, and other expenditure and revenue changes.

### **Agency Policies and Procedures**

Ensure that agency policies and procedures exist for all relevant areas including: human resource management, performance management, information management, and financial management.

### **Agency Contracts**

In recent years, state agencies have come under increased scrutiny for contract monitoring and management. The Board should review the agency's process for monitoring and managing its contracts. It should ensure that a standard process is in place to promote arm's length transactions and relationships with contractors, a process exists for monitoring agency