



# A Legislative Summary Document Regarding Alcoholic Beverage Commission

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The Alcoholic Beverage Commission (Commission) issues most new licenses in a timely manner, but it has a two-month backlog in issuing renewal licenses. A backlog in processing license renewal applications causes the State to lose interest on beer license renewal fees. As of February 2002, approximately \$712,000 in beer license renewal fees awaited processing.

Prepared for the 78th Legislature  
by the State Auditor's Office

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*This is not an audit report and, with the exception of any audit report summaries, the material in this document has not been subjected to all of the tests and confirmations performed in an audit.*

# Alcoholic Beverage Commission

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## Key Findings from Previous Audits and Reviews

January 1, 2001–December 31, 2002

### *An Audit Report on Licensing and Enforcement at the Alcoholic Beverage Commission*

(Report No. 02-034, April 2002)

The Alcoholic Beverage Commission (Commission) issues most new licenses in a timely manner, but it has a two-month backlog in issuing renewal licenses. The Commission has good controls over revenues, enforcement, and seized assets.

Key facts and findings are as follows:

- Errors made by field offices delay some new licenses, but our testing showed that the Commission issued 73.2 percent of the 138 new licenses we tested in 14 days or fewer.
- A backlog in processing renewal applications causes the State to lose interest on beer license renewal fees. As of February 2002, approximately \$712,000 in beer license renewal fees awaited processing.
- The Commission's automated system contains accurate information, but its ability to produce data in a useful and timely manner is limited.

<b>Status of Audit Recommendations as of November 30, 2002 (unaudited)</b>	
The Commission has reported the following:	
Implemented	1
Partially implemented	2
<b>Total recommendations</b>	<b>3</b>

## Information System Vulnerability Assessments

The State Auditor's Office (SAO) and/or the Department of Information Resources performed one or more information system vulnerability assessments at the Alcoholic Beverage Commission between January 2000 and November 2002. Detailed results of this work are confidential under Texas Government Code, Section 2054.077(c). The SAO's Legislative Summary Document titled "Information System Vulnerability Assessments" provides general information about the results of information system vulnerability assessments.

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## Travel Expenditures

Travel Expenditures by Appropriation Year (unaudited)			
	2000	2001	2002
In-State Travel	\$ 245,581	\$ 294,619	\$ 323,417
Out-of-State Travel	11,321	16,461	10,160
Foreign Travel	0	0	0
Other Travel Costs	(226)	0	523
<b>Total Travel Expenditures</b>	<b>\$ 256,676</b>	<b>\$ 311,080</b>	<b>\$ 334,100</b>
Limit on Travel Expenditures (Cap)	354,294	354,294	11,321 <sup>a</sup>
<b>Expenditures in Excess of Cap</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

<sup>a</sup> Caps apply to total travel in appropriation years 2000 and 2001, but caps apply only to out-of-state travel and foreign travel in appropriation year 2002. Caps, calculated by the Comptroller of Public Accounts, have been adjusted for any increases requested by the Commission and approved by the Legislative Budget Board in accordance with the General Appropriations Act.

Source: Uniform Statewide Accounting System (USAS) as of November 30, 2002. Amounts are subject to change as agencies continue to record additional expenditures or adjustments.