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October 28, 2011

The Honorable Rick Murphy, Chair
Joint Legislative Audit Committee

The Honorable Carl Seel, Vice Chair
Joint Legislative Audit Committee

Dear Senator Murphy and Representative Seel:

Our Office has recently completed a 24-month followup of the Office of Pest Management—Restructuring regarding the implementation status of the 9 audit recommendations presented in the performance audit report released in January 2010 (Auditor General Report No. 10-01). As the attached grid indicates:

- 3 have been implemented;
- 4 are in the process of being implemented;
- 1 is not applicable; and
- 1 recommendation that requires legislative action has not been implemented.

Unless otherwise directed by the Joint Legislative Audit Committee, this concludes our follow-up work on the Office of Pest Managements' efforts to implement the recommendations from the January 2010 performance audit report.

Sincerely,

Dale Chapman, Director
Performance Audit Division

DC:sjs
Attachment

cc: Donald Butler, Director
Department of Agriculture

Office of Pest Management—Restructuring

Auditor General Report No. 10-01

24-Month Follow-Up Report

Recommendation

Status/Additional Explanation

Finding 1: Consolidation within Department of Agriculture offers best option for restructuring Office of Pest Management

1.1 The Legislature should consider placing the Office within the Department of Agriculture. This offers the best option for continuing the regulation of the pest management industry because the missions and purposes of the Office and Agriculture are closely aligned, both agencies have responsibilities for regulating pest management, and placing the Office within Agriculture would enhance accountability. Additionally, this option offers the potential for some efficiency gains.

Implemented at 24 months

1.2 If the Legislature does not place the Office within the Agriculture, other options for its consideration include:

Not applicable

Since the Legislature passed Laws 2011, Ch. 20, which transferred the Office to the Department of Agriculture, this recommendation is not applicable.

a. Placing the Office within the Department of Environmental Quality. This option offers fewer benefits than placing it within Agriculture. Although Environmental Quality's mission and purpose focus on protecting the public health and environment, its mission does not include a specific focus on the safe use of pesticides. Its regulatory responsibilities and functions also differ from the Office's. This option would enhance accountability, but it would offer the potential for only limited efficiency gains.

b. Retaining the Office within the Department of Administration. Although Administration's mission, regulatory responsibilities, and functions differ from the Office's, the potential would exist for limited efficiency gains through the consolidation of administrative functions.

c. Creating the Office as a stand-alone agency. Establishing the Office as a stand-alone regulatory agency offers the opportunity to design an agency whose entire mission and purpose, function, and accountability would be centered on structural pest management within the State. However, the functions carried out by the Office do not meet several tests for creating a stand-alone agency, and this option does not offer the potential of increased efficiencies for the State.

Recommendation

Status/Additional Explanation

- | | |
|---|---|
| <p>1.3 If the Legislature places the Office within Agriculture, it should consider merging the Office's and Agriculture's administrative functions, such as budgeting and personnel, and should consider adopting one of the following two options for merging the Office's regulatory functions:</p> <ol style="list-style-type: none">The first option would involve creating a new, comprehensive pesticide regulatory program within Agriculture by combining the Office's licensing, inspections, and complaint investigations functions with Agriculture's pesticide and pest management activities.The second option would involve merging the Office's various regulatory functions, such as licensing, inspections, and complaint investigations, with Agriculture's similar regulatory functions, which are spread among three different programs/areas. | <p>Implementation in process
Laws 2011, Ch. 20, established a nine-member task force to review, among other things, the laws and regulations governing structural pest management in the State, possible organizational configurations within Agriculture for structural pest management, and personnel and funding issues relating to the administration of structural pest management regulation within Agriculture. The task force must submit its findings and recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives by December 12, 2012.</p> <p>The task force held its initial meeting on August 24, 2011, and is in the process of developing its recommendations regarding the above mentioned items.</p> |
| <p>1.4 If the Legislature does not prefer either of these options, a third option for structuring the Office with Agriculture would involve retaining the Office's regulatory functions and responsibilities intact in a separate program within Agriculture.</p> | <p>Implementation in process
See explanation for 1.3.</p> |
| <p>1.5 If the Office is placed within the Department of Agriculture, the Legislature should consider reviewing the Office's funding mechanisms and determine whether statutory changes are necessary, including whether Agriculture will receive the 90 percent of funding that the Office receives, and if it does, whether that funding will be restricted for structural pest regulation.</p> | <p>Implementation in process
See explanation for 1.3.</p> |
| <p>1.6 If the Office is placed within Agriculture, the Legislature should consider various options for physically combining the two entities. These options include moving office staff and equipment to Agriculture's building, maintaining office staff and equipment at their current location, or moving Agriculture's pest management staff to the Office's building.</p> | <p>Implemented at 24 months</p> |
| <p>1.7 If the Office is placed within Agriculture, Agriculture should work with stakeholders to develop a plan for transitioning the Office's various functions to the new agency, addressing personnel issues, and coordinating IT resources and needs.</p> | <p>Implementation in process</p> <p>The Office was placed within Agriculture and according to an agriculture official, it is working with stakeholders to discuss the Office's various functions, address personnel issues, and coordinate IT resources and needs. Additionally, the task force, which holds public meetings, is required to review and make recommendations regarding personnel and funding issues, and stakeholders can attend and participate in these public meetings.</p> |

Recommendation

Status/Additional Explanation

1.8 The Legislature should consider whether it wants to continue the Pest Management Advisory Committee or have the existing Department of Agriculture Advisory Council assume this committee's responsibilities.

Implemented at 24 months

1.9 If the Legislature continues the Committee or revises the Council's responsibilities to include structural pest management issues, the Legislature should consider increasing the number of members on either the Committee or Council to represent varied interests such as other government agencies involved with pesticides, the environment, and public health, as well as stakeholders from the general public and technical experts from pest control associations.

Not implemented

The Legislature has not taken action to increase the number of members on the Committee.