

A Management Control Audit of

# The Texas Board of Architectural Examiners



**Office of the State Auditor**  
**Lawrence F. Alwin, CPA**

December 1994

Report No. 95-034



## OFFICE OF THE STATE AUDITOR

TWO COMMODORE PLAZA  
206 EAST NINTH ST., SUITE 1900  
AUSTIN, TEXAS 78701

MAILING: P.O. BOX 12067  
AUSTIN, TEXAS 78711-2067

PHONE: (512) 479-4700 FAX 479-4884

LAWRENCE F. ALWIN, CPA  
State Auditor

SHARON W. COBB, CPA  
First Assistant

December 16, 1994

### Members of the Legislative Audit Committee:

The Board of Directors of the Texas Board of Architectural Examiners has not satisfied all responsibilities necessary for fulfilling its mission of protecting Texans from unsafe practices of licensees or unlicensed practitioners. The Board has not ensured that the agency maintains an enforcement function. Only an estimated four percent of 1994 enforcement appropriations was spent on investigating complaints.

Controls were not adequate to prevent one board member from unilaterally approving a \$5,000.00 cash bonus for the former Executive Director. The bonus violated Governor's Office procedures and Board rules and regulations. It was approved without the knowledge of other Board members.

The agency needs to make organizational and procedural changes to improve its operations. Its organizational structure should ensure that the enforcement and education functions required by enabling legislation are performed. The agency could free staff resources while reducing costs by using the Treasury Lock Box Service to handle cash receipts.

This audit was requested by the Executive Director. Agency management and the Board of Directors of the Texas Board of Architectural Examiners concur with the recommendations of this report. We appreciate the courtesy and cooperation extended to us during the audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Lawrence F. Alwin".

Lawrence F. Alwin, CPA  
State Auditor

LFA/rmn/enclosure

## Key Points Of Report

### A Management Control Audit Of The Texas Board Of Architectural Examiners

---

December 1994

#### Key Facts and Findings

- The Board of Directors has not satisfied all responsibilities necessary for fulfilling its mission. It has not ensured that the agency performs the enforcement function. The agency estimated that about four percent of 1994 enforcement appropriations was spent on investigating complaints. Failure to regulate the industry leaves Texans unprotected from unsafe practices of licensees or unlicensed practitioners.
- Controls were not adequate to prevent one board member from approving a \$5,000.00 cash bonus for the former Executive Director. The bonus occurred without the knowledge of other board members. It violated Governor's Office procedures and Board rules and regulations.
- Organizational and procedural changes are needed to accomplish the agency's mission, goals, and objectives. Currently, no staff is assigned to perform the enforcement and education strategies. The agency should eliminate the duplication of effort inherent in its current organizational structure and assign employees to perform tasks in related areas. Use of the Treasury Lock Box Service could improve efficiency while reducing costs.

#### Contact:

Kay Wright Kotowski, CPA (479-4755)

---

*This management control audit was conducted in accordance with Government Code, Sections 321.0132 and 321.0133.*

# Table of Contents

---

## **Issues And Recommendations ..... 1**

Section 1:

### **The Board Of Directors Has Not Satisfied All Responsibilities Necessary For Fulfilling Its Mission ..... 1**

The Board Of Directors Has Not Ensured That The Agency Complies With Its Enabling Legislation ..... 1

The Board Of Directors Is Not Exercising Adequate Oversight Of The Executive Director ..... 2

Section 2:

### **Organizational And Procedural Changes Would Improve Agency Operations ..... 3**

The Agency's Organizational Structure Does Not Promote Efficient Performance Of All Necessary Functions ..... 3

Human Resource Management Needs Improvements ..... 4

Agency Efficiency Can Be Improved Through Use Of The Treasury Lock Box Service ..... 6

The License Renewal Process Is Not Evenly Spread Throughout The Year, Resulting In An Uneven Workload ..... 6

Enforcement Data Should Be Automated To Improve Efficiency ..... 7

Section 3:

### **The Overall Control Environment Is Effective, But Could Be Improved ..... 7**

Appendix 1:

### **Objectives, Scope, And Methodology ..... 9**

Appendix 2:

### **Management's Responses ..... 10**

## Issues and Recommendations

Section 1:

### **The Board Of Directors Has Not Satisfied All Responsibilities Necessary For Fulfilling Its Mission**

Section 1-A:

### **The Board Of Directors Has Not Ensured That The Agency Complies With Its Enabling Legislation**

The agency currently has no one assigned to the enforcement function. It has not had an investigator since January 1993. The Board of Architectural Examiners is charged with registering architects and regulating the practice of architecture and with registering and regulating the titles "landscape architect" and "interior designer." Without ensuring that the agency has an enforcement function, the Board of Directors cannot effectively fulfill its regulatory requirements. Failure to regulate the industry contributes to the risk of Texans being endangered through the unsafe practices or irresponsible acts of licensees or people practicing without licenses.

Lack of agreement among members of the Board of Directors has resulted in the enforcement function not being performed. The Board of Directors directed agency management not to fill the investigator position. Interviews with board members indicated that some members think the agency should investigate complaints and identify unlicensed practitioners while others disagree. In the absence of an enforcement function, efforts are not being made to address complaints, implement sanctions, or identify people practicing without a license.

The agency estimated that roughly four percent of the nearly \$102,000.00 appropriated to enforcement during fiscal year

1994 was spent on investigating complaints, according to pre-closing estimates. Only 51 percent of total enforcement appropriations was expended for enforcement activity, much of which involved secretarial work.

Approximately 29 percent of enforcement appropriations was not used and either will be returned to the General Revenue Fund or will be expended for statutorily required budget reductions unrelated to enforcement. The remaining 19.9 percent of enforcement appropriations was expended for other unrelated statutory reductions. (See Figure 1.)

#### **Recommendation:**

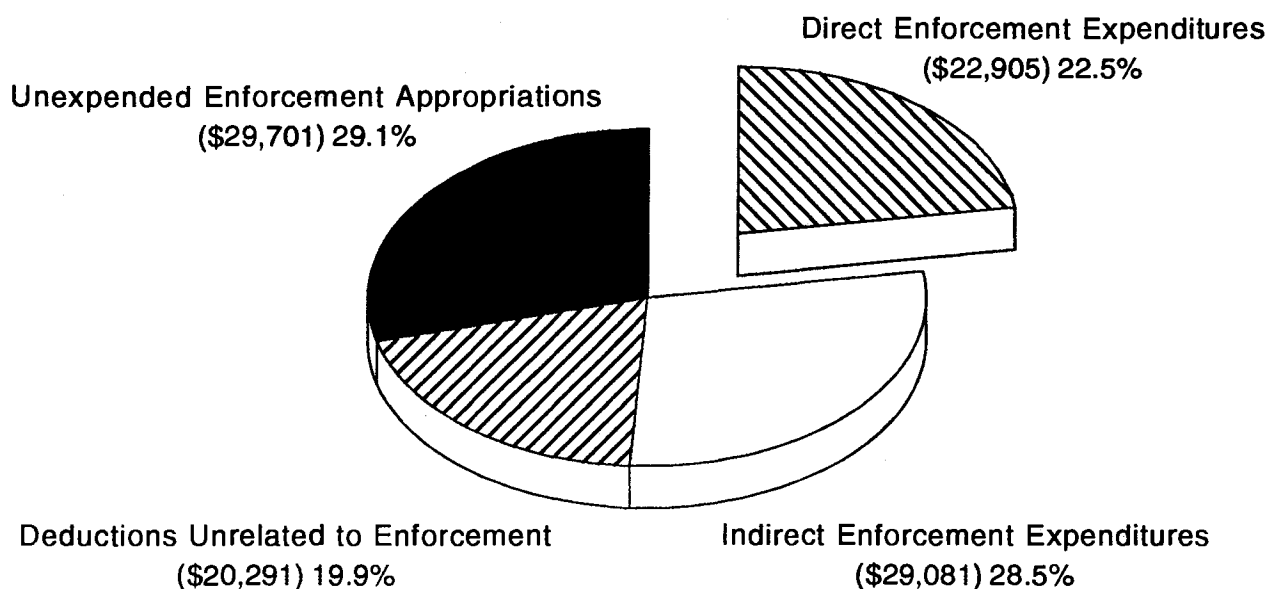
We recommend that the Board of Directors comply with the provisions of its enabling legislation by authorizing the agency to implement the required regulatory function.

## Issues and Recommendations

**Figure 1**

Almost one-half of the nearly \$102,000 appropriated for enforcement was expended for activities unrelated to enforcement. "Direct Enforcement Expenditures" includes an estimated \$3,573 directly related to investigations.

### Enforcement Appropriations - \$101,936 (Fiscal Year 1994, unaudited)



Source: Texas Board of Architectural Examiners (unaudited pre-closing estimates)

Section 1-B:

#### **The Board Of Directors Is Not Exercising Adequate Oversight Of The Executive Director**

The Board Personnel Committee has not fulfilled all of its responsibilities for overseeing the performance of the Executive

Director. It has not established a clear job description for the Executive Director, conducted performance evaluations of the Executive Director, or provided recommended salary adjustments. The following examples indicate areas in which the Personnel Committee has not satisfied its obligations.

## Issues and Recommendations

- **Board of Directors has not provided a clear job description.**

The Board of Directors has not developed a clear job description to help ensure that the Executive Director knows the expectations for performing the tasks of the position. A clear job description is necessary for establishing the expectations to be used for evaluating job performance.

- **Evaluation of Executive Director is not performed.**

There is no record to indicate that the Executive Director has ever been evaluated. The personnel file of the former Executive Director contains no indication that he was evaluated during the nine years he was in the position. Board policies state that the Personnel Committee will perform annual performance evaluations of the Executive Director. The minutes from meetings of the Board of Directors for the past three years do not include an evaluation of the Executive Director.

Performance reviews are necessary for providing feedback so the Executive Director will know how well he/she is performing the duties of the position. Evaluations also assist the Executive Director in establishing performance goals.

- **Executive Director bonus violated Governor's Office procedures and Board rules and regulations.**

A \$5,000.00 cash bonus paid to the former Executive Director violated the Governor's Office requirement that the individual receiving the bonus have a formal evaluation and that it be approved by the chair of the governing body. The bonus was approved by only one member of the Board of Directors without the

knowledge of other board members.

It is the responsibility of the Personnel Committee to review and recommend any salary adjustments for the Executive Director. Therefore, any bonuses paid to the Executive Director should be made at the recommendation of the Personnel Committee.

### Recommendation:

The Board of Directors should develop a job description that clearly establishes responsibilities and expectations for the Executive Director. The Personnel Committee should evaluate the Executive Director annually based on job expectations. The Committee should ensure that a copy of the evaluation is placed in the Executive Director's personnel file. The Personnel Committee should make recommendations for all salary adjustments and bonuses.

### Section 2:

## **Organizational And Procedural Changes Would Improve Agency Operations**

### Section 2-A:

## **The Agency's Organizational Structure Does Not Promote Efficient Performance Of All Necessary Functions**

The agency does not perform some required functions and performs other functions inefficiently. The agency currently is not structured to ensure that it performs the enforcement and education functions required

## Issues and Recommendations

by legislation. Personnel have not been allocated to ensure that these legislative requirements are satisfied.

Job responsibilities are not assigned to employees on the basis of the organizational structure or similarity of tasks. As the agency expanded from licensing only architects, it added separate divisions for landscape architects and interior designers. Similar tasks are duplicated in each of the three licensing divisions, resulting in multiple employees having to be proficient at the same tasks. For instance, a different person processes applications for each of the three types of licenses. This reduces the ability of a division to achieve expertise and to react quickly to changes in the environment.

Additionally, some employees perform duties in unrelated areas, such as accounting and program areas. Examples include:

- A Clerk III is responsible for processing architecture applications. Rather than processing the two other types of applications, she performs the unrelated tasks of receptionist duties, opening the mail, making Treasury deposits, and maintaining office supplies.
- An Administrative Technician III is responsible for license renewals as well as for the cash receipts and refunds functions.
- An Administrative Technician IV is responsible for program administration of landscape architecture. Instead of administering the architecture and interior designer programs, she performs the unrelated duties of payroll and employee benefits.

- Two other employees provide program administration for the other types of licenses. They each also perform other unrelated duties.

Grouping similar tasks can enhance the ability of an organization to accomplish its mission, goals, and objectives. Proper controls to ensure segregation of duties could still be maintained if the accounting and payroll functions were concentrated among fewer employees.

### Recommendation:

We recommend that the agency revise its organizational structure and task assignments to ensure that all mandated functions are performed. Organization along functional lines should be considered. In designing the new organizational structure, management should ensure that the division of labor is structured to assign individual job accountability and authority. It should provide clear delegation of authority and responsibility among personnel.

Section 2-B:

### **Human Resource Management Needs Improvements**

The agency does not have a formal system for identifying, planning for, and meeting staffing needs. This has resulted in some confusion and inefficiencies. It also increases the risk of noncompliance with employment laws and the goals and objectives of the Board of Directors. Having a qualified, informed staff is essential to the agency meeting its goals and objectives. The agency needs to make improvements in its recruitment and selection process; in its policy manuals, job descriptions, and performance appraisals; and in its compliance with regulations regarding human resources.



## Issues and Recommendations

- **The recruitment and selection process needs policies and training.** The agency has no written policies or procedures for employee recruitment and selection. Agency management is not adequately trained in current employment law. The current Executive Director has been developing policies since she filled the position in May 1994. Formal recruitment and selection policies should be written and conveyed to the staff and board members to help ensure that the skills and interests of applicants match staffing needs and job requirements. They also help ensure compliance with employment laws and with the goals and objectives of the Board of Directors.
- **The policy manual is incomplete.** The agency does not have an adequate employee policy manual. The manual does not contain documented policies for areas such as drug and alcohol abuse, grievance procedures, and sexual harassment. The absence of documentation could create inefficiencies and confusion. It also increases the risk of legal liability for the Board of Directors.
- **Job descriptions are not adequate.** Job descriptions do not adequately document the duties of the positions they describe. Job descriptions should specify the job duties and responsibilities as well as the knowledge, skills, and abilities required for competent job performance. They should not contain personal goals or the educational background of the person currently performing the job.
- **The appraisal system needs improvement.** According to the Executive Director, there was no system for evaluating employee performance before she came. A performance appraisal system is currently being developed; however, improvements are needed in the areas of documentation, clarification, and training.

The criteria used in the new system for assigning numerical valuations currently are not documented. Thus, employees do not know how performance is rated under the various dimensions. Also, several of the behavioral skills being evaluated are vague or not under the control of the employee. In addition, training on the new system has not been provided to employees and supervisors in order for them to gain a clear understanding of the expectations. Finally, on the three evaluations performed recently by the Executive Director, the new system was not applied consistently.
- **The agency has not complied with all requirements.** The agency has not satisfied two human resource compliance issues. The agency has an informal policy for posting job notices internally but does not have a written intra-agency career ladder as required by the enabling legislation. The agency also does not have a written Equal Employment Opportunity policy. Management drafted a policy, but it was not approved by legal counsel.

### Recommendation:

We recommend that management of the agency make improvements in its human

## Issues and Recommendations

resource management in the areas of policy documentation, training, evaluation criteria and procedures, and compliance. The specific recommendations which should be addressed include the following:

- Develop a formal, written system for staff recruitment and selection. Link staffing goals with agency mission, goals, and strategies. Personnel involved in recruitment and selection should be trained in the legality of employment interview questions and practices. Screening criteria should be applied consistently and documented. Applicant information should be verified.
- Document all key office policies in an employee policy manual. The manual should be distributed and discussed with all staff members.
- Develop job descriptions for each position. The descriptions should detail the tasks required of the position and the skills necessary for quality performance.
- Clarify and communicate the criteria used for rating the job dimensions to all employees. Ensure that management applies the system consistently when conducting evaluations.
- Develop and document an intra-agency career ladder. Revise and re-submit the Equal Employment Opportunity policy for approval.

Section 2-C:

### **Agency Efficiency Can Be Improved Through Use Of The Treasury Lock Box Service**

The agency estimated that it currently spends an average of over ten hours per day opening the mail and logging the receipt of checks. The Treasury currently provides a cash receipts service (Treasury Lock Box Service) to other agencies. The cost for all but "exceptional" transactions is \$50 to \$400 per year plus conversion costs, depending on volume. Using the service would free at least one employee who performs cash receipts to do other tasks. Using the service also can reduce the overall number of tasks involved in license renewals.

#### Recommendation:

We recommend that the agency investigate the use of the Treasury Lock Box Service. Management should request that a representative of the Treasury Cash Management division perform a cost-benefit analysis and an information assessment for the agency.

Section 2-D:

### **The License Renewal Process Is Not Evenly Spread Throughout The Year, Resulting In An Uneven Workload**

Currently, almost half of the licenses are renewed in the months of June and July. The other half are renewed in December and February. A more balanced and evenly distributed workload could enable one person to be responsible for all renewals.

## Issues and Recommendations

### Recommendation:

We recommend that management restructure the renewal process so there is a more even load of renewals throughout the year. Basing renewals on the birthdays of licensees is one possible approach for achieving a more balanced workload.

### Section 2-E:

#### **Enforcement Data Should Be Automated To Improve Efficiency**

Currently, the agency uses unorganized paper files to store enforcement data. Individual complaints are manually logged in sequential order as they are received. An employee has to manually review all existing entries in the log to answer a request for information regarding whether a licensee has received complaints and, if so, how many. The agency anticipates it will receive 140 complaints during fiscal year 1995. This number of complaints could be managed easily on a data base.

### Recommendation:

We recommend that the enforcement data in the manual files be organized and then entered into a data base. When addressing the issue of systematizing the information, management should decide whether enforcement information should be available to multiple users. Procedures should be developed according to this decision.

### Section 3:

#### **The Overall Control Environment Is Effective, But Could Be Improved**

The agency generally has adequate internal controls to ensure that business is conducted properly and management objectives are achieved. However, three control weaknesses should be improved.

- **The agency does not have policy and procedures manuals regarding control procedures.** Policies and procedures should be documented in writing to provide continual guidance to personnel and to minimize inefficiency during absences or changes. They also help ensure that control procedures are not circumvented.
- **Three staff members have the ability to input, change, and approve vouchers.** Vouchers that have been entered into the Uniform Statewide Accounting System (USAS) are accessible to three employees. The data input function should be segregated from the approval function to eliminate the possibility of the data being changed after it has been approved. This control weakness could result in an error or irregularity which could go undetected.
- **The voucher log is not sequentially pre-numbered.** Voucher numbers are recorded in an expenditure log, but the log is not sequentially pre-numbered. Disbursement vouchers should be controlled by sequential pre-numbered vouchers or a voucher log.

## Issues and Recommendations

This is necessary to ensure control over all expenditure vouchers.

### Recommendation:

We recommend that internal controls be improved in the following three areas:

- Policies and procedures should be prepared for all functions of the agency.
- Only those staff members who cannot enter data into the system should be given the ability to approve vouchers.
- A pre-numbered log for expenditure vouchers should be used for issuing voucher numbers.

## Appendix

Appendix 1:

### **Objectives, Scope, And Methodology**

The objectives of the audit were:

- to determine whether the agency is organized to fulfill its mission and expend its resources appropriately
- to assess whether the organization is operating efficiently
- to determine whether the agency has adequate financial and administrative controls

The audit was requested by the Executive Director. The limited scope included a review of the agency's organizational structure, planning processes, and management information systems. The review also included administrative controls over accounting, human resources management, performance monitoring and evaluation, policies and procedures, and budgets.

The audit was conducted in accordance with generally accepted government auditing standards.

The procedures used to assess the agency's operations included the following:

- review of agency reports, policies and procedures, enabling legislation, and external audit reports
- review of minutes from board meetings
- interviews with the executive director, board members, and agency personnel
- observation of work processes
- comparison of actual to appropriated expenditures
- analysis of revenues and expenditures
- analysis of financial information in the consolidation data base, FACTS, USAS, and SPA

Fieldwork was conducted during September 1994.

The audit work was performed by the following members of the State Auditor's Office staff:

- Helen Baker, MBA (Project Manager)
- Fran Carr, CPA
- Kay Wright Kotowski, CPA (Audit Manager)
- Deborah L. Kerr, Ph.D. (Director)

# Appendix

Appendix 2:

## Management's Responses

\*

This page is intentionally blank.



ARCHITECTURE  
LANDSCAPE ARCHITECTURE  
INTERIOR DESIGN  
512-458-1363

October 31, 1994

Ms. Kay Kotowski  
Audit Manager  
State Auditor's Office  
206 E. 9th Street, Suite 1900  
Austin, Texas 78701

RE: Board Response to Auditor's Draft Report

Dear Ms. Kotowski,

Please find enclosed the conclusion of the Board's responses to the Auditor's Draft Report. The Board was asked to participate in the report by submitting a form that would address each issue that the Auditors presented. This was sent on October 10, 1994 with a request that a returned response be sent no later than October 17, 1994. There were seven written and one verbal responses. The Executive Director and the Director of Programs responded too. This information was condensed and organized below. Attachments are indicated throughout the report. The results are as follows:

**Background information to accompany Board's Responses**

-On May 27, 1993, the Governor appointed a new chairman. The Governor appointed several new Board members prior to many of the activities indicated in this background information section: three came on board on June 1, 1993; and one on August 18, 1993.

-Effective May 27, 1993 the new chairman requested all correspondence leaving TBAE's premises be copied for his review and better understanding of the activities that the staff was performing. This had not been done before and was a benefit to the newly appointed chairman.

8213 Shoal Creek Boulevard Suite 107 Austin, Texas 78757-7589

## Appendix

Page 2 of 8  
Board Response to Auditor's Draft Report  
10/31/94

-The communication between the previous Executive Director and the Board was limited and ineffective. The information that is required for a Board to act in the best interest of the State of Texas was not provided.

-Twenty-two complaints were received at the Board office during the Fiscal Year 1993.

-On June 11, 1993 a new Personnel Committee Chairman was appointed. In September the previous Personnel Chairman and the previous Executive Director acted independently of the Board and signed off on an achievement bonus in the amount of \$5,000.00 awarded to the previous Executive Director. This was received without the remaining Board members' input or approval.

-After the previous Executive Director's resignation, all information contained on his office computer was erased. This was found to be irretrievable by the Interim Director.

-The previous Executive Director gave the Chairman one day's notice, September 30, 1994, that he was taking early retirement in order to take advantage of the State's Retirement Incentive Program. He would work without pay for one month, after which he would return to a paid salary position until a new Executive Director was hired (in a letter on file in the TBAE office from Representative Elton Bomer, he indicates that allowing retired employees to return to work was not the intent of the State's Retirement Incentive Program). The Chairman accepted his resignation and an Interim Director was appointed. The Board posted a new job description. In March 1994 the Board hired a new Executive Director who started on May 1, 1994.

-All key points reported in the Management Control Audit Report are in the process of being corrected by the Board and the Executive Director insofar as the Texas Board of Architectural Examiners procedures are concerned.

-There exists, however, one TBAE Board member, who continues to be unable to regularly attend neither committee meetings (scheduled one day ahead of Board meetings), nor the Board meetings. Since June 1993, this Board member has attend only two of the seven scheduled meetings.

-The remaining seven members of the Board are a diverse group of men and women representing the architectural profession, the interior designer profession, the landscape architectural profession and the public at large.

-The Governor of the State of Texas has been made completely aware of all the items listed above.



## Appendix

Page 3 of 8  
Board Response to Auditor's Draft Report  
10/31/94

### Section 1

#### A.

The Board was in agreement.

#### Explanations:

-The Board suffered from lack of information and coordination (as it relates to the area of enforcement) with the previous Executive Director, rather than "lack of agreement among themselves," as to the function of performance of the enforcement.

-Involvement in a pending lawsuit with the previous investigator caused the Board to leave the position vacant until the suit was settled.

-The Board felt that the previous job description of the investigator was not adequate.

-Prior to the new Chairman being appointed, the Board members were unaware that the enforcement was being poorly managed .

#### Results:

-The Board voted to settle the pending lawsuit with the previous investigator at the October 1994 Board meeting. The Board authorized the Executive Director to create a new job description combining enforcement and education. **The projected deadline to implement this is December 15, 1994.**

#### B.

The Board was in agreement.

#### Explanations:

-The Board office staff was able to uncover some additional information, as it relates to the evaluations, indicating Performance Evaluations of the Executive Director were done in an informal manner for the years 1991 and 1992, and a job description with goals was developed at that time. This information is not in the Executive Director's Personnel File. This information appears in the minutes of the November 1, 1991 Personnel Committee meeting and was further clarified with previous Chairmen (further documentation is available at TBAE's office).

-The Board was not aware of the incomplete documentation as it relates to the Executive Director's job description, evaluation, and salary adjustment review.

-Both the Personnel Committee and the Board itself was unaware that an achievement bonus had been given to the previous Executive Director, until after the fact.

-The previous Executive Director handled this while the Director of Programs was on vacation. This would not have occurred if the Director of Programs had been in the office, since this procedure was considered questionable. A Board member was asked

## Appendix

Page 4 of 8  
Board Response to Auditor's Draft Report  
10/31/94

to sign the documentation because he had at one time been the Personnel Committee Chair and was still a Board member. The supervisor in charge of payroll was told to sign the payroll voucher, which was unusual since the authority to sign payroll vouchers (which he had always signed in the past) was within the powers of the previous Executive Director.

### **Results:**

-The Personnel Committee has requested the new Executive Director take the existing job description and create a new preliminary job description which will be critiqued, reviewed and revised. This will be done at the Personnel Committee meeting which occurs prior to the Board meeting. The revised draft will then be presented to the Board for approval at the Board meeting at the end of January 1995. **Preliminary job description draft deadline to be sent to the Personnel Committee is January 10, 1995.**

-The Personnel Committee has requested the new Executive Director to create an evaluation form that is reflective of the responsibilities that need to be evaluated. The format will include incentives to increase staff morale and productivity, increase public satisfaction and provide possible ideas which could incorporate long term financial savings for the State government. **This document creation will be available no later than May 15, 1995.** This will be critiqued, reviewed and revised at the next Personnel Committee meeting which occurs prior to the Board meeting. The revised draft will then be presented to the Board for approval at the next Board meeting.

-A format will be developed to advise the Board of how, where, when and why it reviews the Executive Director. This permanent notebook will be developed for long term use as the Board members come and go. This will give continuity to the process and background information for future Board members (some of which will be included in an orientation packet [forthcoming] that all new Board members will receive that is customized to this Agency). **This notebook will be completed no later than November 15, 1995.** This will be critiqued, reviewed and revised at the next Personnel Committee meeting which occurs prior to the Board meeting. The revised draft will then be presented to the Board for approval at the next Board meeting.

## **Section 2**

### **A.**

The Board was in agreement.

### **Explanations:**

-Due to the growth of the projected number of registrants which has been a 94.1 % increase from 1991 through 1995 and which was caused in part by the reopening of the grandfather clause for the Interior Designers, the staff has been overwhelmed with additional responsibilities that had not been planned or budgeted. This very issue is what led the new Executive Director to request this Management Control Audit.

### **Results:**

-The Board fully supports the findings of the State Auditor's Office. It has asked the new Executive Director to prepare a strategic plan for implementation of a reorganization.

# Appendix

Page 5 of 8  
Board Response to Auditor's Draft Report  
10/31/94

-The Board is concerned that additional financial allocations are needed in order to implement the plan properly.

-The Board supports the new Executive Director's projected one year time line needed to effectively transition the existing staff into the new job descriptions which will require reclassifications and additional payroll allocations.

## B.

The Board was in agreement.

### **Explanations:**

-The importance of Human Resources from a legal aspect and human productivity as it relates to Agency continuity was never considered vital or a necessary issue by the previous Executive Director. He was made aware of this deficiency in an audit done in 1989.

-The Board was unaware that it was not addressed and that it was incomplete.

-The Agency was unable to attend many free training seminars due to understaffing and heavy workload.

### **Results:**

-The Board fully supports the findings of the State Auditor's Office. It has asked the new Executive Director to prepare a budget and time line for meeting the requirements needed to correct the current Human Resource management problem. **This budget projection will be ready by November 4, 1994.** The implementation of some of the programs will be done when funding becomes available. The completion of the programs are noted below:

Training / Educational Seminars  
Staff Recruitment / Selection Program  
Key Office Policies / Employee Manual  
Job Descriptions for Reorganization  
Performance Appraisal Evaluations  
Intraagency Career Laddering Written Policy  
EEOC Policy

Deadline: March 1, 1995\*  
Deadline: November 1, 1995  
Deadline: November 1, 1995  
Deadline: transition in over 1 yr.  
Deadline: March 1, 1995  
Deadline: November 1, 1995  
Deadline: Approval by the Board at  
January Board meeting 1995

\* Funding is required in order to implement.

## C.

The Board was in agreement.

### **Explanations:**

-The Board is in agreement that savings can and should be utilized as it relates to maximizing of other State agencies whose expertise is better than that available within this Agency.

### **Results:**

-The Board fully supports the findings of the State Auditor's Office. It has asked the new Executive Director to prepare a strategic plan for implementation of a lock box system.

## Appendix

Page 6 of 8  
Board Response to Auditor's Draft Report  
10/31/94

-The Board is concerned that additional financial allocations are needed in order to implement the plan properly. This involves temporary employees for one year which can be eliminated after the lock box comes on line in November 1995.

-The Board supports the new Executive Director's projected one year time line needed to effectively transition the existing deadlines into the new deadlines which will require prorating some registrants' renewal fees. **The deadline changes will be implemented March 15, 1995 with the new format, envelopes and documentation included. The lock box will be introduced in November 1995.** This allows the Agency time to address any problems in the system as it relates to the new format and deadlines.

**D.**  
The Board was in agreement.

**Explanations:**

-The Board is in agreement that deadline distribution and streamlining could ease the work load demands as it relates to better utilization of the staff in this Agency.

**Results:**

-The Board fully supports the findings of the State Auditor's Office. It has asked the new Executive Director to prepare a strategic plan for implementation of a deadline redistribution. The State Treasury met with the Executive Director on October 13, 1994 with a follow up visit tentatively scheduled for the middle of November. A new schedule for the deadlines has been drafted and was distributed at the October 25, 1994 Staff meeting for consideration of any negative implications and problems. The conclusion of this will be then forwarded to the Board at the January Board meeting for approval.

-The Board is concerned that additional financial allocations are needed in order to implement the plan properly. This involves some new costs as it relates to envelopes, coupon forms and the cost of reprogramming the computer system dealing with deadlines at the Department of Informational Resources.

-The Board supports the new Executive Director's projected one year time line needed to effectively transition the existing deadlines into the new deadlines which will require prorating some registrants' renewal fees. **The deadline for changes of the renewal deadlines is March 15, 1995.**

**E.**  
The Board was in agreement.

**Explanations:**

-The Board is in agreement that time and money can and should be saved as it relates to automation of the enforcement data.

## Appendix

Page 7 of 8  
Board Response to Auditor's Draft Report  
10/31/94

### Results:

-The Board fully supports the findings of the State Auditor's Office. It has asked the new Executive Director to prepare a strategic plan for the development of a new data base system and the complete overhaul of the entire area of enforcement. The Board supports the new Executive Director's projected nine month time line needed.

-The Board is certain that additional financial allocations are needed in order to implement the plan. This involves cost of the data base system itself and the manpower needed to develop and implement the system. **After funding is given, this would involve a period of approximately nine months for the data base to be purchased, installed and come on line.**

### **Section 3**

The Board was in agreement.

### Explanation:

See results below.

### Results:

-The Board fully supports the findings of the State Auditor's Office. The Board has asked the new Executive Director to prepare a Control Policy and Procedures Plan for implementation to counteract the weaknesses indicated within the Accounting Department. **The draft plan will be formulated by March 1, 1995 and final draft completed by May 1, 1995.** This will be submitted to the State Auditor's Office for their review and comment.

-Three staff members have the ability to input, change and approve vouchers. The Executive Director approves all expenditure vouchers. The size of the Agency hinders the ability to distribute the correct controls when there is an absent staff member. **Corrections were made on October 27, 1994 to limit access to "changes/input" and "approval" being separated from each other.** Further review and adjustments are being considered and implemented.

-The Agency will initiate a system of a pre-numbered Voucher Log. **Deadline for implementation of the prenumbered system is December 1, 1994.**

### **Section 4**

The Board was in agreement.

### Explanation:

The Board was pleased that this could be done on such short notice. This will enable the Agency to be more streamlined and effective in carrying out its mission.

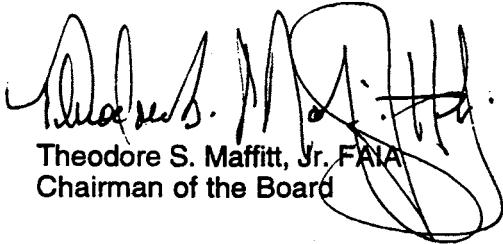
## Appendix

Page 8 of 8  
Board Response to Auditor's Draft Report  
10/31/94


### **Results/Conclusions:**

This Audit was at the request of the new Executive Director. The Board overall repeatedly agreed with the concept that maximization of staff, streamlining the work load and creation of a positive work environment was to the benefit of everyone. This report will indeed benefit all of these objectives. The insight and benefits gained in the programming process as it developed are invaluable to the Executive Director. If more time could have been allocated to this audit, more detailed results would have been helpful, however, all discoveries made thus far are greatly appreciated. We are eagerly looking forward to a Classification Audit in Fiscal Year 1996 and a return audit report indicating our compliance with your many recommendations.

Most Respectfully,



Theodore S. Maffitt, Jr., FAIA  
Chairman of the Board



Cathy Hendricks, ASID/IBD  
Executive Director

encl. Board Members responses

cc. Dewey Helmcamp  
Board Members

Copies of this report have been distributed to the following:

## **Legislative Audit Committee**

Honorable James E. "Pete" Laney, Speaker of the House, Chair  
Honorable Bob Bullock, Lieutenant Governor, Vice Chair  
Senator John Montford, Chair, Senate Finance Committee  
Senator Kenneth Armbrister, Chair, Senate State Affairs Committee  
Representative Robert Junell, Chair, House Appropriations Committee  
Representative Tom Craddick, Chair, House Ways and Means Committee

## **Governor of Texas**

Honorable Ann W. Richards

## **Legislative Budget Board**

## **Sunset Advisory Commission**

## **Texas Board of Architectural Examiners Officers and Board of Directors**

Mr. Theodore S. Maffitt, Jr., Chairman  
Ms. Mary Ann Bryan, Vice Chairman  
Mr. Jerry E. Yancey, Secretary-Treasurer  
Ms. Maricela Rodriguez Barr  
Ms. Mary French Cable  
Mr. Thomas Daniel Carter, Jr.  
Mr. Norcell D. Haywood  
Mr. Don W. Kirk  
Mr. Cleveland Turner, III

## **The Texas Board Of Architectural Examiners**

Ms. Cathy Hendricks, Executive Director