

The Board of Architectural Examiners: A Self-Directed, Semi-Independent Agency

Overall Conclusion

The Board of Architectural Examiners' (Board) annual financial report for fiscal year 2002 understated the amount owed to the State's General Revenue Fund by \$624,500. The State loaned these funds to the Board as start-up funds for the self-directed semi-independent agency pilot project. According to Senate Bill 736 (77th Legislature), this loan is to be repaid as funds are available. As of August 31, 2002, the Board had \$831,000 in cash from which the State's General Revenue Fund could have been repaid.

The error described above and other errors cause the Board's annual financial report to be materially inaccurate. In addition, the Board submitted materially inaccurate performance data to the Legislature in a report that is also required by the Self-Directed Semi-Independent Agency Project Act (Vernon's Texas Civil Statutes, Article 8930 [8]). These errors were significant enough to give users of both required reports an incorrect and incomplete understanding of the Board's finances and performance.

Background

The Board regulates registered architects, landscape architects, and interior designers. The Board issued 20,171 licenses in fiscal year 2002.

The Board is one of three agencies that come under the Self-Directed Semi-Independent Agency Project Act (Vernon's Texas Civil Statutes, Article 8930). This pilot program, which also involves the Board of Public Accountancy and the Board of Professional Engineers, removed these agencies from the State's appropriations process. Instead, these agencies establish their own budgets, which they have to support with the revenue they generate.

Unless legislation passes to continue the Self-Directed Semi-Independent Agency Project Act, the three agencies will return to the appropriations process on September 1, 2003. The 78th Legislature is considering bills to extend the pilot project for a length of time varying from 4 years to 12 years.

Summary of Information Technology Review

The Board's automated regulatory system has limitations that hinder its ability to provide pertinent, accurate information:

- It has a limited reporting capability that reduces the Board's ability to access and provide key information.
- It does not have the capacity to hold certain key data, which decreases agency efficiency.
- It does not interact with other Board applications, which creates inefficiencies and increases the likelihood of error.
- It is not designed with sufficient safeguards against entering erroneous data. For example, it is possible to enter data for a fictitious licensee using a current registrant's social security number.

