



# A Legislative Summary Document Regarding Preservation Board

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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.*

# Preservation Board

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## Key Findings from Previous Audits and Reviews

January 1, 2001–December 31, 2002

### ***An Audit Report on the State Preservation Board's Bob Bullock Texas State History Museum Fund***

(Report No. 02-054, June 2002)

The State Preservation Board's (Board) fiscal year 2001 annual report to the Board for the Bob Bullock Texas State History Museum Fund accounts for only the museum's \$2.1 million trust fund. The annual report does not include information on the museum's operating fund, which accounted for \$3.7 million in revenues and \$1.1 million in expenses during fiscal year 2001. The annual report would be more useful if it included information about the museum's operating fund because it would provide a complete presentation of all of the museum's funds. This would enable the Legislature to assess the overall financial performance of the museum.

The \$1.1 million in donations to the trust fund were properly accounted for and used for purposes associated with the museum. The \$1.3 million in disbursements made from the trust fund in fiscal year 2001 complied with statutory requirements. Fund balances are reasonable based on revenue and expense activity of the museum during fiscal year 2001. Although the Board did not include the operating fund in the annual report, we performed limited tests on the operating fund's revenue and expenses and did not identify any significant weaknesses.

### ***An Audit Report on 19 Agencies' Compliance With Historically Underutilized Business Requirements***

(Report No. 01-035, August 2001)

Self-reported information received from the State Preservation Board (Board) indicates that the Board did not comply with certain provisions of the Historically Underutilized Business (HUB) regulations identified in the Texas Administrative Code (TAC) and Chapters 111 and 2161 of the Texas Government Code in fiscal year 2000. However, we determined that the Board made a "good-faith effort" to comply with TAC and the Texas Government Code.

Results of Entity Compliance With Historically Underutilized Business (HUB) Requirements - Fiscal Year 2000				
Compliance Requirement				Did the Entity Make a "Good-Faith Effort"? <sup>b</sup>
Planning	Outreach <sup>a</sup>	Reporting	Subcontracting	
No specific mission statement in strategic plan (Texas Government Code, Section 2161.123)	Did not sponsor HUB forums (TAC, Section 111.27)	No material noncompliance	No material noncompliance	Yes
No specific HUB programs mentioned in the strategic plan (Texas Government Code, Section 2161.123)				
No formally adopted HUB rules (Texas Government Code, Section 2161.003)				

<sup>a</sup> Most of the agencies had not developed and implemented a mentor protégé program during fiscal year 2000. Of the HUB requirements, the mentor protégé program requirement had the latest effective date (June 2000). The agencies indicated there was not enough time to design and implement the program in the last quarter of the fiscal year.

<sup>b</sup> The State Auditor's Office, in consultation with the General Services Commission, determined that an entity did not make a "good-faith effort" if it had noncompliance in at least three of the four basic HUB areas: planning, outreach, reporting, and subcontracting. (The General Services Commission was abolished effective September 1, 2001, and the newly created Texas Building and Procurement Commission subsequently assumed most of its responsibilities.)

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**Status of Corrective Action:** In December 2002, the Board reported that it had implemented corrective action on four areas of noncompliance (mission statement, HUB programs in strategic plan, mentor protégé program, HUB forums) and that it had partially implemented corrective action on one area of noncompliance (formally adopting HUB rules). This information has not been audited. However, an audit of the Board's compliance with HUB requirements is underway. The audit report is expected to be released in February 2003.

## Travel Expenditures

Travel Expenditures by Appropriation Year (unaudited)			
	2000	2001	2002
In-State Travel	\$ 4,235	\$ 10,513	\$ 16,803
Out-of-State Travel	36,036	32,867	22,810
Foreign Travel	0	0	0
Other Travel Costs	531	0	5
<b>Total Travel Expenditures</b>	<b>\$ 40,802</b>	<b>\$ 43,380</b>	<b>\$ 39,618</b>
Limit on Travel Expenditures (Cap)	82,558	82,558	36,036 <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 Board 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.