



**John Keel, CPA**  
**State Auditor**

An Audit Report on

# **The Financial Processes at the Board of Chiropractic Examiners**

February 2007

Report No. 07-014



An Audit Report on

## *The Financial Processes at the Board of Chiropractic Examiners*

SAO Report No. 07-014  
February 2007

### *Overall Conclusion*

The Board of Chiropractic Examiners' (Board) financial processes do not ensure complete, accurate, and reliable financial information for revenues the Board receives in the mail. The Board cannot make these assurances for revenues received in the mail because of (1) control weaknesses in the mail-receipts process and (2) inadequate controls over the Board's database. In addition, limitations in the Board's database prevent the Board from verifying whether it is collecting and depositing all license fees. The Board received \$729,560 and \$633,294 of its reported revenues through the mail in fiscal years 2005 and 2006, respectively. These amounts represent about one-third of the Board's reported revenues for each fiscal year.

The remaining two-thirds of the Board's reported revenues were processed through TexasOnline, which automatically records and deposits the funds for the Board, increasing the reliability of these revenue figures. The scope of this audit included only financial processes for which the Board was responsible.

Although financial processes related to revenues should be strengthened, the Board has improved its processing of expenditures since the Office of the Comptroller of Public Accounts (Comptroller's Office) began reviewing the Board's expenditures prior to payment. (See text box.)

#### **Board of Chiropractic Examiners**

The Board has three primary functions:

- License and register chiropractors, chiropractic radiological technicians, and chiropractic facilities.
- Set standards for the profession.
- Enforce the laws.

There are more than 4,700 chiropractors in the state.

The Board has eight employees (7.5 full-time equivalent employees).

The Legislature appropriated \$340,220 and \$368,464 to the Board in fiscal years 2005 and 2006, respectively.

#### **Comptroller's Office's Review of Expenditures**

Effective December 15, 2005, the Comptroller's Office has been reviewing the Board's expenditures prior to payment. The Comptroller's Office reviews expenditures for: (1) compliance with state laws and regulations, (2) correct coding, (3) proper supporting documentation and approvals, and (4) reasonableness. The Comptroller's Office will continue to review the Board's expenditures until it determines that the Board is capable of properly processing expenditures.

## ***Key Points***

**The Board cannot ensure that it is correctly processing all revenues it receives in the mail.**

The Board cannot ensure that it is correctly processing all revenues it receives in the mail due to control weaknesses in the mail-receipt process and inadequate controls over the Board's database.

The majority of the Board's revenues are processed through TexasOnline; but, auditors identified significant weaknesses in the Board's mail-receipt process that increase the risk that this money could be lost or stolen—although we did not identify any instances of this happening.

The weaknesses in the Board's mail-receipt process include: (1) one person opens the mail, (2) lack of endorsements of checks or money orders, (3) lack of verification of the amount of funds actually deposited in the State Treasury against the amount of funds expected to be deposited, and (4) no current policies and procedures.

In addition, access control weaknesses over the Board's database increase the risk of data being changed or deleted. All employees have complete access to the information in the database, and the database does not include an audit trail that identifies when changes are made. Nothing came to our attention that indicated information had been inappropriately altered; however, the unlimited access to the database and the lack of controls over the mail receipts greatly increase the risk that not all funds are being deposited into the State Treasury.

The Board, however, is depositing revenues within three business days as required by Texas Government Code, Section 404.094.

**Limitations in the Board's database prevent it from extracting information needed to verify revenue totals.**

The Board cannot extract detailed licensee information from its database that would allow it to determine whether it is collecting and depositing all license fees. For example, the Board cannot obtain the total number of active and inactive licenses.<sup>1</sup>

Because of limitations in the Board's database, auditors performed a reasonableness test of revenues based upon license information obtained from the Board. Auditors calculated the amount of license fees the Board should have collected and compared those calculations to license fee revenues recorded in the Uniform Statewide Accounting System (USAS). The differences between auditors'

---

<sup>1</sup> As of December 2005, inactive licensees were not required to pay license fees.

calculations and USAS were immaterial, and as a result, we determined the revenues recorded in the Board's database are reasonable based on the revenues recorded in USAS. This reasonableness test was limited because the Board could provide only the number of licenses for which a fee was paid and could not provide the number of licenses for which a fee was due but not paid. As a result, auditors could not verify the completeness and accuracy of the license information provided by the Board. For detailed information regarding revenue calculations, see Table 2 on page 4.

**The Board has improved its processing of expenditures since the Comptroller's Office began reviewing the Board's expenditures prior to payment.**

Effective December 15, 2005, the Comptroller's Office has been reviewing the Board's expenditures prior to payment. The Comptroller's Office will continue this review until it determines the Board is capable of properly processing expenditures. (See text box for additional information.)

The Board has recently experienced high turnover in positions directly responsible for processing expenditures. For example,

- As of October 2006, six of the Board's eight employees, including the Executive Director, had worked there for less than a year.
- Since the Comptroller's Office began its review, the Board has had three different accountants. The accounting position is currently a part-time position.
- The Board did not have an accountant for at least three months in fiscal year 2006.

<b>Processing Expenditures</b>
Key steps for properly processing Board expenditures include:
<ul style="list-style-type: none"><li>▪ Obtaining and maintaining supporting documentation to ensure the expenditure is valid, necessary, and reasonable.</li><li>▪ Obtaining appropriate approval(s) from Board management.</li><li>▪ Coding the expenditure properly in the Uniform Statewide Accounting System (USAS).</li><li>▪ Paying expenditures within the time frames in Texas Government Code Chapter 2251 (Prompt Payment Act).</li></ul>

Based on the results of audit testing, the Board has improved its processing of expenditures since the Comptroller's Office began its review. Auditors' tested expenditures totaling \$29,519 made by the Board in fiscal years 2005 and 2006. Thirty-three percent of the expenditures tested contained at least one error. These errors totaled \$20,082; for \$13,156 the errors were lack of supporting documentation. Only two of the errors, totaling \$1,197, occurred after the Comptroller's Office's review started.

The Board's policies and procedures regarding payroll and payroll-related items are adequate; however, the Board has not updated its policies and procedures for non-payroll expenditures to reflect current practices. Payroll and payroll-related expenditures totaled \$271,451 (68 percent of total expenditures) and \$325,229 (72 percent of total expenditures) for fiscal years 2005 and 2006, respectively.

## ***Summary of Management's Response***

Management agrees with the findings and recommendations of this report.

## ***Summary of Information Technology Review***

The Board does not have adequate controls over the database it uses for licensing and enforcement. All eight employees have the ability to access, change, and delete all information in the database. The Board does not have unique user IDs and passwords for each employee. Rather, it has a single user ID and password that allows full update access to the database.

The Board is in compliance with Title 1, Texas Administrative Code, Chapter 202, requirements for backup procedures and off-site storage for the information in its database.

The Board's employees currently have appropriate access to USAS. The Board has also implemented proper segregation of duties over entry and release of data into USAS.

## ***Summary of Objectives, Scope, and Methodology***

The objectives of this audit were to determine whether:

- The Board's financial processes ensure accurate, complete, and reliable financial information.
- Expenditures at the Board are properly authorized and necessary and reasonable for performance of agency functions.
- Revenues and expenditures at the Board are processed correctly and in a timely manner.

For reviewing financial processes, revenues, and expenditures, the scope of this audit covered fiscal years 2005 and 2006. Auditors also reviewed all unpaid fines for fiscal years 1999 through 2006.

The audit methodology included collecting information and documentation, performing selected tests and other procedures, analyzing and evaluating the results of the tests, and conducting interviews with Board management and staff.

# Contents

## *Detailed Results*

---

Chapter 1

The Board Cannot Ensure That It Is Correctly Processing  
All Revenues It Receives in the Mail ..... 1

Chapter 2

The Board Has Improved Its Processing of Expenditures  
Since the Comptroller's Office Began Reviewing the  
Board's Expenditures Prior to Payment ..... 7

## *Appendix*

---

Objectives, Scope, and Methodology ..... 9

# Detailed Results

Chapter 1

## The Board Cannot Ensure That It Is Correctly Processing All Revenues It Receives in the Mail

### Processing Revenues

Key steps for properly processing Board revenues include:

- Collecting the correct amount of revenues from various sources as defined by the Texas Administrative Code.
- Verifying funds received are deposited in the State Treasury and recorded in the Uniform Statewide Accounting System (USAS).
- Coding the revenue properly in USAS.
- Depositing funds within three business days as required by Texas Government Code, Section 404.094.

### TexasOnline

The Board receives license fees in two ways: (1) from renewals of doctor of chiropractic and facility license renewals done on TexasOnline and (2) through the mail, delivery service, and so on. Money received through TexasOnline is automatically coded for the Uniform Statewide Accounting System (USAS) and deposited into the State Treasury—Board employees do not process any revenues received online.

The Board of Chiropractic Examiners (Board) cannot ensure that it is correctly collecting and depositing all revenues it receives in the mail because of control weaknesses in the Board’s mail-receipt process and inadequate controls over the Board’s database. The Board received about one-third of its reported revenues through the mail in fiscal years 2005 and 2006. The remaining two-thirds of the Board’s reported revenues were processed through TexasOnline, which automatically records and deposits the funds for the Board, increasing the reliability of these revenue figures (see text boxes).

Auditors identified weaknesses in the Board’s mail-receipt process that include: (1) one person opens the mail, (2) lack of endorsements of checks or money orders, and (3) no current policies and procedures. In addition, access control weaknesses over the Board’s database increase the risk of data being changed or deleted, and the Board cannot extract certain licensee information from this database that it needs to verify revenue totals. However, the Board is depositing revenues within three business days as required by Texas Government Code, Section 404.094.

Table 1 provides information about the Board’s revenues from TexasOnline and through the mail.

Table 1

Percentage of Board Revenues from TexasOnline and through the Mail				
Fiscal Year	Revenues from TexasOnline	Revenues through the Mail	Total Revenues as Reported in USAS	Percent of Revenues through the Mail
2005	\$1,184,027	\$729,560	\$1,913,587	38%
2006	\$1,377,219	\$633,294	\$2,010,513	31%

Sources: Uniform Statewide Accounting System (USAS); TexasOnline revenue is calculated from the number of licenses by type provided by the Board.

The Board does not have adequate controls over revenues it receives in the mail.

Although the majority of the Board's receipts are processed through TexasOnline, auditors identified significant control weaknesses in the mail-receipt process. These control weaknesses increase the risk of money being lost or stolen—although we did not identify any instances of this happening.

The Board's control weaknesses include:

- Not requiring more than one person to open the mail.
- Not endorsing checks or money orders.
- Not verifying the amount of funds actually deposited in the State Treasury against the amount of funds expected to be deposited.
- Not having an independent review or verification of funds being returned to a customer.
- Not having current written policies and procedures for processing revenues.

Auditors tested a sample of 30 revenue transactions that totaled \$133,453 received through the mail. The testing results revealed:

- The Board is depositing revenues within three business days as required by Texas Government Code, Section 404.094.
- The Board did not collect the correct amount of revenues for approximately 27 percent of the transactions tested. Most of the amounts the Board over- and under-collected were associated with late fees and Office of Patient Protection fees. The net amount of these errors was an over collection of \$465.
- The Board did not correctly code in the Uniform Statewide Accounting System (USAS) 53 percent of the transactions tested. The total amount of these errors was \$2,044.

Access control weaknesses over the Board's database increases the risk of data being inappropriately changed or deleted.

All eight of the Board's employees have the ability to access, change, and delete all information in the database. The Board does not have unique user IDs and passwords for each employee. Rather, it has a single user ID and password that allows full update access to the database. According to the Health Professions Council's<sup>2</sup> information technology support team, the

---

<sup>2</sup> The Health Professions Council coordinates regulatory efforts among various health care licensing agencies, including the Board. The council provides information technology support to the Board.

database also does not contain an audit trail that identifies when information is changed or deleted. Nothing came to our attention that indicated information had been inappropriately altered; however, the unlimited access to the database and the lack of controls over the mail receipts greatly increase the risk that not all funds are being deposited into the State Treasury. Further, the paper used to print licenses is not stored in a secure location, nor does the paper contain pre-printed numbers. Therefore, because of the unlimited database access, staff could print a license or renewal certificate, delete administrative fines, or eliminate payments received without Board management's knowledge.

Limitations in the Board's database prevent the Board from extracting information needed to verify revenue totals.

**FileMaker Pro Database**

The Board's FileMaker Pro database contains the mail receipt log, licensing information, and information on administrative fines.

The Board cannot extract detailed licensee information from its FileMaker Pro database that would allow it to determine whether it is collecting and depositing all license fees. For example, the Board cannot obtain the total number of active and inactive licenses.<sup>3</sup>

Because of the limitations in the Board's database, auditors performed a reasonableness test of the revenues based upon license information obtained from the Board. Auditors calculated the amount of license fees the Board should have collected and compared those calculations to license fee revenues recorded in USAS. This reasonableness test was limited because the Board could provide only the number of licenses for which a fee was paid and could not provide the number of licenses for which a fee was due but not paid. As a result, we could not verify the completeness and accuracy of the license information provided by the Board. (See Table 2 on the next page for revenue calculations.) The differences between auditors' calculations, based on the information provided by the Board, and the revenues reported in USAS were immaterial (within 1.5 percent and 0.9 percent for fiscal years 2005 and 2006, respectively). The revenues recorded in the Board's database are reasonable based on the revenue recorded in USAS.

Table 2 on the next page provides information on auditors' calculations of the Board's revenues, based on the license information provided by the Board.

---

<sup>3</sup> As of December 2005, inactive licensees were not required to pay a license fee.

Table 2

Board Revenues from Licenses and Fines <sup>a</sup>							
Revenue Type	Fiscal Year 2005			Fiscal Year 2006			Total Revenues for Fiscal Years 2005 and 2006
	Number of Licenses or Exams Processed	Amount of Revenues	Percent of Total Revenues	Number of Licenses or Exams Processed	Amount of Revenues	Percent of Total Revenues	
Doctor of Chiropractic Original License	252	\$ 85,680	4.65%	268	\$ 91,120	4.64%	\$ 176,800
Doctor of Chiropractic License Renewal	4,512	1,538,592	83.53%	4,480	1,527,680	77.82%	3,066,272
Exam Fee	267	89,445	4.86%	293	98,155	5.00%	187,600
Radiology Technologists Original License	30	1,050	0.06%	25	875	0.04%	1,925
Radiology Technologists License Renewal	147	5,292	0.29%	93	3,348	0.17%	8,640
Facility Original License	451	31,570	1.71%	417	29,190	1.49%	60,760
Facility License Renewal	1,159	78,812	4.28%	3,035	206,380	10.51%	285,192
Administrative Fines	N/A	11,581	0.63%	N/A	6,300	0.32%	17,881
<b>Total Selected Revenues</b>		<b>\$1,842,022</b>			<b>\$1,963,048</b>		<b>\$3,805,070</b>

<sup>a</sup> Includes license fees, TexasOnline fees, and Office of Patient Protection fees.

Sources: License revenues were calculated from the number of licenses by type provided by the Board. Information for administrative fines revenue was provided by the Board.

## Recommendations

The Board should implement controls over its mail-receipt process. These controls should include:

- Having two people open the mail.
- Endorsing checks and money orders prior to them leaving the Board's headquarters.
- Reconciling the number of licenses issued to the amount of revenues received.
- Reconciling the amount of revenues actually deposited in the State Treasury to the amount that was supposed to be deposited.

- Implementing a process that verifies the funds being returned to a customer. This could involve having a second employee review and approve the refund of any monies to Board customers.
- Updating policies and procedures to reflect current processes.

According to the Board, it is developing a new database. The Board should ensure that employees' access to the new database is limited to their job duties and provides adequate segregation of duties. The Board also should ensure that it designs the database to easily, consistently, and accurately retrieve information needed to reconcile its revenues, including the number of active versus inactive licenses.

The Board should implement controls over the paper used to print licenses to ensure that only licenses that have been paid for are printed. This should include limiting access to the license paper.

#### Management's Response

- Recommendation: Having two people open the mail.  
*Management agrees with this recommendation and will implement it no later than March 1, 2007. Person responsible for implementation: Glenn Parker, Executive Director*
- Recommendation: Endorsing checks and money orders prior to them leaving the Board's headquarters.  
*Management agrees with this recommendation and implemented it before the audit was completed. Person responsible for implementation: Mary Ann Garcia, Accountant.*
- Recommendation: Reconciling the number of licenses issued to the amount of revenue received.  
*Management agrees with this recommendation and will implement it on September 1, 2007 when it completes the migration to its new database, which will contain features to assist with the reconciliation of licenses issued and revenues received. Person responsible for implementation: Glenn Parker, Executive Director.*
- Recommendation: Reconciling the amount of revenue actually deposited in the Treasury to the amount that was supposed to be deposited.  
*Management agrees with this recommendation and will implement it no later than March 1, 2007. Persons responsible for implementation: Mary Ann Garcia, Accountant and Glenn Parker, Executive Director.*

- Recommendation: Implementing a process that verifies the funds being returned to a customer. This could involve having a second employee review and approve the refund of any monies to Board customers. Management agrees with this recommendation and will implement it no later than March 1, 2007. All funds being returned or refunded to individuals will require the approval of at least two (2) agency employees. Licensing employees will request return/refund in writing and accounting employee will process the request. Persons responsible for implementation: Mary Ann Garcia, Accountant and Glenn Parker, Executive Director.
- Recommendation: Updating policies and procedures to reflect current processes. Management agrees with the recommendations and will begin to implement it immediately. Executive Director Glenn Parker will be responsible for creating new policies and procedures in stages throughout 2007, with a goal of completing them by December 31, 2007.
- Recommendation: According to the Board, it is developing a new database. The Board should ensure that employees' access to the new database is limited to their job duties and provide adequate segregation of duties. The Board should also ensure that it designs the database to easily, consistently, and accurately retrieve information needed to reconcile its revenues, including the number of active versus inactive licenses. Management agrees with this recommendation. The new database currently under development includes security features to limit each employee's ability to access or update the database records, based on that employee's responsibilities. Duties will be segregated to ensure appropriate internal controls. Control reports and features are being designed into the new database to allow the agency to reconcile revenues deposited to the number of licenses issued and renewed, including active and inactive licenses. The new database is scheduled to go online September 1, 2007. Person responsible for implementation: Glenn Parker, Executive Director.
- Recommendation: The Board should implement controls over the paper used to print licenses to ensure that only licenses that have been paid for are printed. This should include limiting access to the license paper. Management agrees with this recommendation and will implement it no later than September 1, 2007. New paper stock will be ordered that will include a unique, sequential number on each blank form to allow the agency to record and control the use of each blank license form. In addition, the blank forms for licensees will be locked in a secure cabinet or other storage facility. Person responsible for implementation: Glenn Parker, Executive Director.

## ***The Board Has Improved Its Processing of Expenditures Since the Comptroller's Office Began Reviewing the Board's Expenditures Prior to Payment***

---

### **Comptroller's Office's Review of Expenditures**

The Comptroller's Office reviews expenditures for: (1) compliance with state laws and regulations, (2) correct coding, (3) proper supporting documentation and approvals, and (4) reasonableness.

### **Processing Expenditures**

Key steps for properly processing Board expenditures include:

- Obtaining and maintaining supporting documentation to ensure the expenditure is valid, necessary, and reasonable.
- Obtaining appropriate approval(s) from Board management.
- Coding the expenditure properly in the Uniform Statewide Accounting System (USAS).
- Paying expenditures within the time frames in Texas Government Code, Chapter 2251 (Prompt Payment Act).

Effective December 15, 2005, the Office of the Comptroller of Public Accounts (Comptroller's Office) has been reviewing the Board's expenditures prior to payment. The Comptroller's Office will continue this review until it determines the Board is capable of properly processing expenditures. (See text boxes for additional information.)

The Board has recently experienced high turnover in positions directly responsible for processing expenditures:

- As of October 2006, six of the Board's eight employees, including the Executive Director, had worked there for less than a year.
- Since the Comptroller's Office began its review, the Board has had three accountants. The accounting position is currently a part-time position.
- The Board did not have an accountant for at least three months in fiscal year 2006.

Since March 2006, the Board of Nurse Examiners has been assisting the Board with processing expenditures.

Based on the results of audit testing, the Board has improved its processing of expenditures since the Comptroller's Office began its review. Auditors tested 36 expenditures totaling \$29,519 made by the Board during fiscal years 2005 and 2006. Of these, 12 (33 percent) contained at least one error. The total dollar amount of the errors identified was \$20,082; for \$13,156 of this amount, the errors were a lack of supporting documentation. All but two of these errors occurred prior to the start of the Comptroller's Office's review of expenditures. The two errors that occurred after the review started totaled \$1,197.

Policies and procedures regarding payroll and payroll-related expenditures are adequate; however, the Board has not updated its policies and procedures for non-payroll expenditures to reflect current practice. The Board's payroll and payroll-related expenditures accounted for 68 percent of total expenditures in fiscal year 2005 and 72 percent of total expenditures in fiscal year 2006. Table 3 on the next page provides information on the Board's expenditures for fiscal years 2005 and 2006.

Current policies and procedures are critical to ensure that the Board continues to properly process non-payroll expenditures after the Comptroller's Office

ends its review. In addition, current policies and procedures are necessary to help new employees understand their job duties.<sup>4</sup>

Table 3

Board Expenditures				
Types of Expenditures	Fiscal Year 2005	Percent of Total	Fiscal Year 2006	Percent of Total
Payroll and Payroll-Related	\$271,451	68%	\$325,229	72%
Travel	16,827	4%	17,958	4%
Purchases/Other	110,775	28%	108,743	24%
<b>Total</b>	<b>\$399,053</b>		<b>\$451,931</b>	

Source: USAS.

### Recommendations

The Board should continue its efforts to properly process expenditures, and it should update its policies and procedures for processing non-payroll expenditures. These should include processes for:

- Obtaining and maintaining supporting documentation.
- Obtaining required approvals.
- Coding expenditures correctly.
- Paying expenditures timely and in accordance with state laws.

### Management's Response

*Management agrees with this recommendation and will continue its efforts to properly request, process, record and pay all expenditures. The agency's new employee for accounting is attending classes presented by the Comptroller's Office on a regular basis and continues to work with oversight employees in the Comptroller's Office on all expenditures. Purchasing and accounting policies will be updated by June 1, 2007. Persons responsible for implementation: Glenn Parker, Executive Director and Mary Ann Garcia, Accountant.*

<sup>4</sup> In its Codification of Auditing Standards, AU Section 319.41, the American Institute of Certified Public Accountants (AICPA) defines control activities as the policies and procedures that help ensure that management directives are carried out.

# Appendix

## Objectives, Scope, and Methodology

---

### Objectives

The objectives of this audit were to determine whether:

- The Board of Chiropractic Examiners' (Board) financial processes ensure accurate, complete, and reliable financial information.
- Expenditures at the Board are properly authorized and necessary and reasonable for performance of agency functions.
- Revenues and expenditures at the Board are processed correctly and in a timely manner.

### Scope

For reviewing financial processes, revenues, and expenditures, the scope of this audit covered fiscal years 2005 and 2006. Auditors also reviewed all unpaid fines for fiscal years 1999 through 2006.

### Methodology

The audit methodology included collecting information and documentation, performing selected tests and other procedures, analyzing and evaluating the results of the tests, and conducting interviews with Board management and staff.

Information collected and reviewed included the following:

- Board accounting policies and procedures.
- Data from the Board's FileMaker Pro database, including the number of licenses and the amount of administrative fines assessed, paid, and uncollected.
- Information from interviews with Board management and staff.
- Access information for the Uniform Statewide Accounting System (USAS).
- Expenditure data from USAS.
- Revenue data from USAS.

- Information from interviews with staff from the Office of the Comptroller of Public Accounts.
- Information from interviews with accountants from the Board of Nurse Examiners.
- Information from interviews with information technology employees from the Health Professions Council.
- Information regarding TexasOnline included in the Office of the Comptroller of Public Accounts' Accounting Policy Statement (APS) 029, Electronic Processing of Revenues and Expenditures, Including TexasOnline Portal Activity.

Procedures and tests conducted included the following:

- Analyzed information from the Board to determine the amount of revenues received through TexasOnline and the mail.
- Compared license information received from the Board to the amount of revenues recorded in USAS.
- Analyzed administrative fine information received from the Board to determine the amount of uncollected fines.
- Tested revenues to determine whether they were processed correctly and in a timely manner.
- Tested expenditures to determine whether they were properly authorized, necessary, reasonable, and processed correctly and in a timely manner.
- Reviewed the Board's FileMaker Pro database access controls for appropriateness and compliance with Title 1, Texas Administrative Code, Chapter 202, backup procedure and off-site requirements.
- Reviewed the Board's access to USAS.

Criteria used included the following:

- Texas Occupations Code, Chapter 101.
- Texas Occupations Code, Chapter 201.
- Title 22, Texas Administrative Code, Chapters 71-80.
- Title 1, Texas Administrative Code, Chapter 202.
- Texas Government Code, Chapter 404.
- Texas Government Code, Chapter 2251.

- Office of the Comptroller of Public Accounts' APS 029, Electronic Processing of Revenues and Expenditures, Including TexasOnline Portal Activity.

### **Project Information**

Audit fieldwork was conducted in September 2006 through December 2006. This audit was conducted in accordance with generally accepted government auditing standards.

The following members of the State Auditor's staff performed the audit:

- Becky Beachy, CIA, CGAP (Project Manager)
- Veda Bragg Mendoza, CIA, CGAP (Assistant Project Manager)
- Michael Boehme
- LaTonya Dansby
- Brian Jones
- Cyndie Holmes, CISA (Information Systems Audit Team)
- Agnes Rasmussen, CPA, CISA (Quality Control Reviewer)
- Lisa R. Collier, CPA (Audit Manager)

Copies of this report have been distributed to the following:

### **Legislative Audit Committee**

The Honorable David Dewhurst, Lieutenant Governor, Joint Chair  
The Honorable Tom Craddick, Speaker of the House, Joint Chair  
The Honorable Steve Ogden, Senate Finance Committee  
The Honorable Thomas “Tommy” Williams, Member, Texas Senate  
The Honorable Warren Chisum, House Appropriations Committee  
The Honorable Jim Keffer, House Ways and Means Committee

### **Office of the Governor**

The Honorable Rick Perry, Governor

### **Board of Chiropractic Examiners**

Members of the Board of Chiropractic Examiners

Dr. Sandra Jensen, D.C., President  
Ms. Marcia Daughtrey  
Mr. Narciso Escareno  
Dr. Scott Isdale, D.C.  
Dr. Steve Minors, D.C.  
Dr. Kenneth Perkins, D.C.  
Dr. David Sime, D.C.  
Dr. Kathleen Summers, D.C.  
Ms. Kenya Woodruff  
Mr. Glen Parker, Executive Director



This document is not copyrighted. Readers may make additional copies of this report as needed. In addition, most State Auditor's Office reports may be downloaded from our Web site: [www.sao.state.tx.us](http://www.sao.state.tx.us).

In compliance with the Americans with Disabilities Act, this document may also be requested in alternative formats. To do so, contact our report request line at (512) 936-9880 (Voice), (512) 936-9400 (FAX), 1-800-RELAY-TX (TDD), or visit the Robert E. Johnson Building, 1501 North Congress Avenue, Suite 4.224, Austin, Texas 78701.

The State Auditor's Office is an equal opportunity employer and does not discriminate on the basis of race, color, religion, sex, national origin, age, or disability in employment or in the provision of services, programs, or activities.

To report waste, fraud, or abuse in state government call the SAO Hotline: 1-800-TX-AUDIT.