

Report on the

**Board of Respiratory Therapy
State of Alabama
Montgomery, Alabama**

October 1, 2016 through September 30, 2018

Filed: August 9, 2019



**Department of
Examiners of Public Accounts**

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Rachel Laurie Riddle, Chief Examiner



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Honorable Rachel Laurie Riddle
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Madam:

Under the authority of the *Code of Alabama 1975*, Section 41-5A-19, as added by Act Number 2018-129, I submit this report on the results of the examination of the Board of Respiratory Therapy for the period October 1, 2016 through September 30, 2018.

Sworn to and subscribed before me this
the 26th day of July, 2019.

Kelly D. Matthews
Notary Public

Respectfully submitted,

Charles Bass

Charles Bass
Examiner of Public Accounts

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SUMMARY

**Board of Respiratory Therapy
October 1, 2016 through September 30, 2018**

The Board of Respiratory Therapy (the “Board”) licenses and regulates the practice of respiratory therapy in Alabama and operates under the authority of the *Code of Alabama 1975*, Sections 34-27B-1 through 34-27B-14.

This report presents the results of an examination of the Board and a review of compliance by the Board with applicable laws and regulations of the State of Alabama. This examination was conducted in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-12, as added by Act Number 2018-129. Our examination was performed for the purpose of determining whether the public officers, agents, and employees of the Board properly and lawfully accounted for all money and other public assets or resources received, disbursed, or in the custody of the Board. Our examination included determining compliance by the Board with state laws and regulations that pertain to financial transactions; personnel; safeguarding of state-owned assets, property, and resources; information dissemination, processing, and retention; and official actions, rulemaking procedures, and meetings. As a part of our examination, we also reviewed internal control policies and procedures relating to the areas listed above. Our examination did not encompass managerial and operational matters, such as whether the Board accomplished its mission or its regulatory, enforcement, investigative, or other oversight activities in an efficient, fair, timely, or legal manner.

Findings are numbered and reported by the examination period in which the finding originally occurred.

The following instance of noncompliance with State laws and regulations and other matters was found during the examination as shown on the Schedule of State Legal Compliance and Other Findings and is summarized below.

CURRENT FINDING

- 2018-01 Relates to a board member’s appointment to the Board.

Board members and the Executive Director were invited to an exit conference held on July 15, 2019. Individuals in attendance were: Vernon Johnson, Board Chairman, and Paula McCaleb, Executive Director, along with Robin Hutcherson, Audit Manager, and Charles Bass, Examiner, from the Department of Examiners of Public Accounts.



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COMMENTS

**Board of Respiratory Therapy
October 1, 2016 through September 30, 2018**

The Board of Respiratory Therapy (the “Board”) operates under the authority of the *Code of Alabama 1975*, Sections 34-27B-1 through 34-27B-14. The Board licenses and regulates the practice of respiratory therapy in Alabama. These functions include reviewing applicants’ qualifications for examinations, issuing licenses to successful examinees, investigating complaints, and holding administrative hearings concerning noncompliance with the Board’s enabling statutes.

The Board consists of five members appointed by the Governor to four-year terms and no member can serve more than three consecutive full terms.

- Three respiratory therapists selected from a list of six names submitted by the Alabama Society for Respiratory Care who are registered or certified by the National Board for Respiratory Care or its successor organization.
- One chief executive officer of a hospital, who is selected from a list of names submitted by the Alabama Hospital Association.
- One physician, who is licensed to practice medicine in Alabama and who is a member of at least one of the following: the American Thoracic Society, the American College of Chest Physicians, the American Society of Anesthesiologists, or the American Academy of Pediatrics. The physician member must be selected from a list of two names submitted by the Medical Association of Alabama.

The Board contracts with Leadership Alliance, L.L.C., a private company, for management and administrative staffing services, as well as office space.

The Board operates from Special Revenue Fund 1149 in the State Treasury. The Board’s operating funds are derived from fees collected by the Board in carrying out its statutory mission. The Board is subject to the State’s normal budget procedures and cannot expend funds without a legislative appropriation. The *Code of Alabama 1975*, Section 34-27B-6 requires “After the first three full fiscal years from May 17, 2004, and every three years thereafter, if a surplus of funds exists which is greater than two years’ operating expense, the surplus must be transferred to the State’s General Fund”. There were no transfers to the General Fund for the examination period.

Non-consumable personal property in the custody of the Board was compared with the property records maintained by the Property Inventory Division of the State Auditor’s Office. No discrepancies were noted.

*Schedule of State Legal
Compliance and Other Findings*

Schedule of State Legal Compliance and Other Findings
For the Examination Period Ended September 30, 2018

Ref. No.	Finding/Noncompliance
2018-01	<p><u>Finding:</u> One board member has exceeded the maximum amount of terms for serving as a member of the Board. The member was appointed to a fourth consecutive full term in office, and according to the <i>Code of Alabama 1975</i>, Section 34-27B-5(e), no member shall be appointed for more than three consecutive full terms.</p> <p><u>Recommendation:</u> The Board should ensure that board member appointments comply with the <i>Code of Alabama 1975</i>, Section 34-27B-5(e).</p>

Schedule of Cash Receipts, Disbursements and Balances
For the Period October 1, 2016 through September 30, 2018

	2017-2018	2016-2017
<u>Receipts</u>		
License and Permit Fees	\$ 190,275.00	\$ 80,595.21
<u>Disbursements</u>		
Travel, In-State	3,139.94	1,833.87
Rentals and Leases	91.96	93.60
Utilities and Communication	5,581.81	2,205.74
Professional Services	175,614.41	162,958.00
Supplies, Materials and Operating Expenses	19,849.86	4,413.49
Total	<u>204,277.98</u>	<u>171,504.70</u>
Excess (Deficiency) of Receipts Over Disbursements	(14,002.98)	(90,909.49)
Cash Balances at Beginning of Year	<u>50,449.96</u>	<u>141,359.45</u>
Cash Balances at End of Year	36,446.98	50,449.96
Reserve for Unpaid Obligations	<u>(20,601.05)</u>	<u>(47,230.66)</u>
Available Cash Balances at Year-End	<u><u>\$ 15,845.93</u></u>	<u><u>\$ 3,219.30</u></u>

Board Members and Official
October 1, 2016 through September 30, 2018

Board Members		Term Expires
Hon. Vernon Johnson	Chairman	2022
Hon. Ronda Hood	Member	2022
Hon. Ed Goodwin	Member	2022
Hon. William S. Roberts, Jr.	Member	2020
Hon. William P. Saliski, Jr., M.D.	Member	2020
Hon. Debra Laken	Member	2018

Official

Paula McCaleb

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