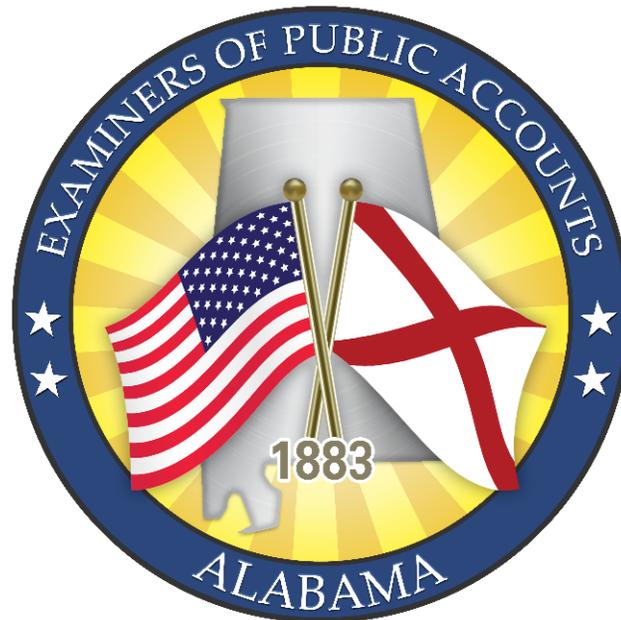


Report on the

**Board of Nursing  
State of Alabama  
Montgomery, Alabama**

**October 1, 2016 through September 30, 2018**

Filed: November 8, 2019



**Department of  
Examiners of Public Accounts**

**401 Adams Avenue, Suite 280  
Montgomery, Alabama 36104-4338  
P.O. Box 302251  
Montgomery, Alabama 36130-2251  
Website: [www.examiners.alabama.gov](http://www.examiners.alabama.gov)**

*Rachel Laurie Riddle, Chief Examiner*





State of Alabama  
Department of  
**Examiners of Public Accounts**

P.O. Box 302251, Montgomery, AL 36130-2251  
401 Adams Avenue, Suite 280  
Montgomery, Alabama 36104-4338  
Telephone (334) 242-9200  
FAX (334) 242-1775

Rachel Laurie Riddle  
Chief Examiner

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, we submit this report on the results of the examination of the Board of Nursing for the period October 1, 2016 through September 30, 2018.

Sworn to and subscribed before me this  
the 24<sup>th</sup> day of October, 2019.

Kelly D. Matthews  
Notary Public

Sworn to and subscribed before me this  
the 24 day of October, 2019.

Kelly D. Matthews  
Notary Public

rb

Respectfully submitted,

E. Christine Kilpatrick  
Examiner of Public Accounts

Ashley L. Allen  
Examiner of Public Accounts



---

---

## *Table of Contents*

---

---

|   |  | <i>Page</i> |
|---|--|-------------|
| <b>Summary</b>  |  | A           |
| Contains items pertaining to state legal compliance.  |  |             |
| <b>Comments</b>   |  | C           |
| Contains information pertaining to agency operations and other matters.                               |  |             |
| <b>Schedule of State Legal Compliance and Other Findings</b>  |  | E           |
| Contains detailed information about findings pertaining to state legal compliance and other findings. |  |             |
| Exhibit #1  | Schedule of Cash Receipts, Disbursements and Balances                            | 1           |
| Exhibit #2  | <b>Board Members and Official</b> – a listing of the Board Members and Official. | 2           |

---





Department of  
**Examiners of Public Accounts**

**SUMMARY**

**Board of Nursing  
October 1, 2016 through September 30, 2018**

The Alabama Board of Nursing (the “Board”) operates under the authority of the *Code of Alabama 1975*, Sections 34-21-1 through 34-21-8; 34-21-20 through 34-21-26; 34-21-40 through 34-21-43; 34-21-60 through 34-21-63 and 34-21-80 through 34-21-99. By law, the Board exercises regulation and approval of schools of nursing and for the examination and licensing of professional or practical nurses. The Board also approves qualified applicants for advanced specialty practice.

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 instances of noncompliance with State laws and regulations and other matters were found during the examination as shown on the Schedule of State Legal Compliance and Other Findings and are summarized below.

**CURRENT FINDINGS**

- 2018-01 Relates to the Board not restrictively endorsing checks upon receipt.

- 2018-02 Relates to the Board purchasing unallowable items.
- 2018-03 Relates to three Board members receiving compensation they were not entitled to receive.
- 2018-04 Relates to one Board member being overpaid for attending a committee meeting.
- 2018-05 Relates to the Board not posting vacancy notices to the Secretary of State's website.
- 2018-06 Relates to the Board providing a meal for staff and board members for a meeting that did not last six hours.
- 2018-07 Relates to eight Board members claiming and receiving a meal allowance when a meal was provided at the meeting.

Board members and the Executive Director were invited to an exit conference held on October 8, 2019. Individuals in attendance were Board members: Cheryl Bailey, Janice Seip; Peggy Benson, Executive Director; Alice Henley, General Counsel; Joyce Jeter, Licensing Director; along with Robin Hutcheson, Audit Manager; E. Christine Kilpatrick and Ashley Allen from the Department of Examiners of Public Accounts.



Department of  
**Examiners of Public Accounts**

**COMMENTS**

**Board of Nursing  
October 1, 2016 through September 30, 2018**

The Alabama Board of Nursing (the “Board”) operates under the authority of the *Code of Alabama 1975*, Sections 34-21-1 through 34-21-8; 34-21-20 through 34-21-26; 34-21-40 through 34-21-43; 34-21-60 through 34-21-63 and 34-21-80 through 34-21-99. By law, the Board exercises regulation and approval of schools of nursing and for the examination and licensing of professional and practical nurses. The Board also approves qualified applicants for advanced specialty practice.

The Board is comprised of thirteen members appointed by the Governor. The members can serve no more than two consecutive terms and may continue to serve until their successors are appointed and qualified. Vacancies in unexpired terms are filled in the same manner as original appointments are made. The members serve four-year staggered terms as follows:

- Six registered nurses from a list of nominees who are selected by the Board of Nursing Nomination Committee and furnished to the Governor by the Alabama State Nurses’ Association or its successor organization;
- Two advanced practice registered nurses from a list of nominees who are selected by the Board of Nursing Nomination Committee and furnished to the Governor by the Alabama State Nurses’ Association or its successor organization;
- Two licensed practical nurses from a list of nominees provided by the Board of Directors of the Licensed Practical Nurses Association of Alabama or its successor organization;
- Two licensed practical nurses from a list of nominees provided by the Board of Directors of the Alabama Federation of Licensed Practical Nurses, Incorporated or its successor organization;
- One consumer member.

The Executive Officer, who is appointed by the Board, supervises the day-to-day operations of the Board. The Executive Officer serves in the unclassified service of the State’s merit system. The Executive Officer serves at the pleasure of the Board.

The Board operates from the following funds maintained in the State Treasury:

- **Special Revenue Fund 0369** – Operating fund created by the *Code of Alabama 1975*, Section 34-21-4. All licensing and regulatory fees collected by the Board in carrying out its statutory duties are deposited into and expended from this fund. Unexpended balances are retained by the Board.
  
- **Education Trust Fund 0200** – The *Code of Alabama 1975*, Sections 34-21-60 through 34-21-63, provide for the distribution of scholarships for graduate education of nurses. The scholarships are awarded to applicants from the State of Alabama at large. The number of scholarships shall equal five percent of the total enrollment in graduate nursing programs in Alabama. Each scholarship is limited to \$10,000. In fiscal years 2017 and 2018, the Board received an appropriation of \$166,027 for scholarships.
  - \$166,026.90 was award to thirty-nine recipients in fiscal year 2017
  - \$147,159.87 was awarded to thirty-nine recipients in fiscal year 2018

The *Code of Alabama 1975*, Sections 34-21-94 through 34-21-99, established the Alabama Loan Repayment Program for Advanced Practice Nursing. This program provides for the distribution of loans to those pursuing a graduate degree to become a certified registered nurse practitioner (CNP), a certified nurse midwife (CNM), or a certified registered nurse anesthetist (CRNA). Each loan is limited to \$15,000. In lieu of repaying the loan, those awarded sign contracts with the Board agreeing to work in an area of critical need for 18 months for each year they received a loan under the program.

- \$216,000 was award to eighteen recipients in fiscal year 2017
- \$420,000 was awarded to twenty-eight recipients in fiscal year 2018

The Board owned non-consumable personal property consisting of automobiles, office furniture, computers and equipment. A comparison was done of non-consumable personal property in the custody of the Board/Commission with 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.<br>No. | Finding/Noncompliance   |
|-------------|---|
| 2018-01     | <p><b><u>Finding:</u></b><br/>Internal controls for checks and money orders were not effective to ensure that funds were secured against loss and theft. The Board did not restrictively endorse money orders and checks upon receipt. The financial instruments were endorsed at the time of deposit.</p> <p>The Board is responsible for developing internal controls to ensure that checks and money orders received are endorsed and secured against loss or theft.</p> <p><b><u>Recommendation:</u></b><br/>The Board should restrictively endorse money orders and checks upon receipt.</p>   |
| 2018-02     | <p><b><u>Finding:</u></b><br/>The Board purchased four plaques, a certificate frame, and a memorial poem frame totaling \$151.78. According to Attorney General Opinion 99-00112, agencies cannot legally purchase the items. When notified of the unallowable purchases, the executive director reimbursed the Board \$151.78.</p> <p>Attorney General Opinion 99-00112 issued to the Department of Human Resources states, "The Department cannot legally purchase appreciation gifts, flowers, holiday greeting cards, retirement cards, plaques and awards."</p> <p><b><u>Recommendation:</u></b><br/>The Board should only disburse funds for allowable purchases.</p> |

---

---

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

---

---

| Ref.<br>No. | Finding/Noncompliance   |
|-------------|---|
| 2018-03     | <p><b><u>Finding:</u></b></p> <p>Three board members received board compensation in the amount of \$175.00 per day for each day spent in active service of the Board. During the examination period, one board member received a total of \$1,801.46; one board member received a total of \$1,592.98; and one board member received a total of \$3,133.41. The members are also full-time employees of state universities. As full-time employees of a State College or University, the members were not entitled to the \$175.00 per day board member compensation pay according to the <i>Code of Alabama 1975</i>, Section 36-6-3 and Attorney General Opinion 2010-061. When notified of the payments made in error, the members reimbursed the Board the amounts they were not entitled to receive.</p> <p>The <i>Code of Alabama 1975</i>, Section 36-6-3 states “Wherever the duties of more than one office, position, or employment shall be filled, performed, or discharged by one officer or employee, such officer or employee shall only receive the salary named for the highest paid office, position, or employment so filled, performed or discharged.”</p> <p>Attorney General’s Opinion 2010-061 states, “A person appointed to serve on the Board of Funeral Service, who is employed as a faculty member in a state junior college system, does not hold two offices of profit. Although a person may serve in the stated positions simultaneously, that person may only receive compensation at the rate named for the highest paying position.”</p> <p><b><u>Recommendation:</u></b></p> <p>The Board should verify the employment status of members to ensure they are legally entitled to receive board member compensation.</p> |

---

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

---

| Ref.<br>No. | Finding/Noncompliance  |
|-------------|--|
| 2018-04     | <p><b><u>Finding:</u></b><br/>           One board member was overpaid \$200 for attending a Joint Committee meeting. The member was paid \$300 per day instead of the \$100 per day allowed by law. When notified of the overpayment, the member reimbursed the Board \$200.</p> <p>The <i>Code of Alabama 1975</i>, Section 34-21-82(b)(3) states, “Members of the Committee shall receive per diem at a rate of \$100 per day or any portion thereof that such a committee member shall be in attendance at an official meeting or function of the committee ...”</p> <p><b><u>Recommendation:</u></b><br/>           Board members should be paid per diem for attending meetings in accordance with the amount authorized by statute.</p>   |
| 2018-05     | <p><b><u>Finding:</u></b><br/>           The Board did not notify the Secretary of State of six vacancies occurring on the Board as a result of members’ terms expiring and two vacancies occurring on the Board as a result of members resigning their positions.</p> <p>The <i>Code of Alabama 1975</i>, Section 36-14-17(d)(1) states, “The chair of an existing board shall notify the Secretary of State by electronic means of a vacancy scheduled to occur on the board as a result of the expiration of a term at least 45 days before the vacancy occurs.”</p> <p>The <i>Code of Alabama 1975</i>, Section 36-14-17(d)(2) states, “The chair of an existing board shall give electronic notification to the Secretary of State of each vacancy occurring as a result of a newly created board position and of every other vacancy occurring for any reason other than expiration of term as soon as possible and in any case within 15 days after the occurrence of the vacancy.”</p> <p><b><u>Recommendation:</u></b><br/>           The Board should ensure that vacancies are posted at least forty-five days before the expiration of members’ terms, and within fifteen days for any other vacancies occurring on the Board.</p> |

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

| Ref.<br>No. | Finding/Noncompliance   |
|-------------|---|
| 2018-06     | <p><b><u>Finding:</u></b><br/>           The Board provided a meal for staff and board members at a cost of \$20.63 per person for a board meeting that did not exceed six hours, and participants did not work through lunch according to the meeting’s agenda. The cost per person exceeded the meal allowance of \$11.25 for a trip of six to twelve hours’ duration.</p> <p>The <i>Code of Alabama 1975</i>, Section 36-7-20(b) states, No travel allowance shall be paid for a trip of less than six hours’ duration.</p> <p>The <i>Code of Alabama 1975</i>, Section 36-7-20 goes on to state “(e) This section shall be optional with the employing agency in those instances where the <i>employee is required to attend training sessions, schools, seminars, or other like group functions at a facility</i> when it would serve the best interests of both the state and the employee, or in those instances when the employee is assigned to assist in suppressing on-going natural disaster situations, or other emergencies. In those cases, the cost of meals and per diem may be paid as set forth herein or by the employing agency of the state directly to the contract facility furnishing the service, <i>but the costs of these services shall not exceed the amount allowable to the individual employee for in-state travel.</i>”</p> <p>Attorney General Opinion 2003-137 to the Board of Nursing states, “Meals and refreshments may be provided when a meeting <i>lasts all day</i> and participants work through lunch or when an examination lasts all day and participants are not allowed to leave the area.”</p> <p><b><u>Recommendation:</u></b><br/>           The Board should only provide meals when the meeting lasts at least six hours and the cost of the meal does not exceed the amount allowable to the individual for in-state travel.</p> |
| 2018-07     | <p><b><u>Finding:</u></b><br/>           Eight board members were paid a meal allowance of \$11.25 when a meal was provided during the April 26, 2017, board meeting. When notified of the errors, the members reimbursed the Board \$11.25.</p> <p>According to Attorney General Opinion 88-340, “Where such a meal has been provided, the state employee may not properly claim a meal allowance.”</p> <p><b><u>Recommendation:</u></b><br/>           Board members should not be paid per diem when a meal is provided at a meeting.</p>  |

---

*This Page Intentionally Blank*

---

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

|  | 2017-2018       | 2016-2017       |
|--|-----------------|-----------------|
| <b><u>Receipts</u></b>                             |                 |                 |
| Licenses, Permits and Fees                         | \$ 3,220,085.75 | \$ 6,657,856.50 |
| Receipts Fees Not Otherwise Classified             | 341,876.64      | 331,748.18      |
| Exam Fees  | 588,060.00      | 486,140.00      |
| Registration for CE Courses                        |                 | 1,900.00        |
| Board Penalties                                    | 124,830.00      | 125,760.00      |
| Insurance Recoveries                               | 1,826.94        |                 |
| Prior Year Refunds                                 | 323.85          | 194.40          |
| Salvage Equipment or Other Property                | 13.62           | 166.78          |
| Unclaimed Property                                 | 50.00           |                 |
| Total  | 4,277,066.80    | 7,603,765.86    |
| <b><u>Disbursements</u></b>                        |                 |                 |
| Personnel Costs                                    | 3,001,819.55    | 2,844,667.40    |
| Employee Benefits                                  | 1,210,259.48    | 1,096,598.79    |
| Travel, In-State                                   | 39,024.46       | 25,869.55       |
| Travel, Out-of-State                               | 31,338.09       | 17,790.22       |
| Repair and Maintenance                             | 18,834.88       | 36,111.15       |
| Rentals and Leases                                 | 1,039,785.12    | 979,415.62      |
| Utilities and Communication                        | 72,351.56       | 143,474.26      |
| Professional Services                              | 305,968.54      | 304,649.53      |
| Supplies, Materials and Operating Expenses         | 227,974.68      | 176,219.92      |
| Transportation Equipment Operations                | 17,222.50       | 13,978.63       |
| Grants and Benefits                                | 200.00          | 75.00           |
| Transportation Equipment Purchases                 |                 | 118,596.50      |
| Other Equipment Purchases                          | 81,757.16       | 137,260.47      |
| Total  | 6,046,536.02    | 5,894,707.04    |
| Excess (Deficiency) of Receipts Over Disbursements | (1,769,469.22)  | 1,709,058.82    |
| Cash Balances at Beginning of Year                 | 4,977,629.30    | 3,268,570.48    |
| Cash Balances at End of Year                       | 3,208,160.08    | 4,977,629.30    |
| Reserve for Unpaid Obligations                     | (414,667.38)    | (312,786.33)    |
| Available Cash Balances at Year-End                | \$ 2,793,492.70 | \$ 4,664,842.97 |

---

---

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

---

---

| <b>Board Members</b>                     |           | <b>Term Expires</b> |
|--|-----------|---------------------|
| Hon. Cheryl Bailey, RN, BSN, MBA         | President | 2021                |
| Hon. Victoria Hill, MSN, RN              | Member    | 2018                |
| Hon. Gladys Davis Hill, MSN, RN          | Member    | 2021                |
| Hon. Martha A. Houston                   | Member    | 2021                |
| Hon. Cara Floyd, LPN                     | Member    | 2021                |
| Hon. Janice Seip, CRNA                   | Member    | 2021                |
| Hon. Cynthia Louise Buford, LPN          | Member    | 2020                |
| Hon. Richard Foote, RN, MSN, MA, CEN     | Member    | 2020                |
| Hon. Cherry Denise Rodgers, LPN          | Member    | 2019                |
| Hon. Valorie A. Dearmon, RN, DNP, NEA-BC | Member    | 2019                |
| Hon. Francine M. Parker, EdD, MSN, RN    | Member    | 2019                |
| Hon. Jill B. Hightower, MSN, RN (1)      | Member    | 2018                |
| Hon. E. Laura Wright, PhD, MNA, CRNA     | Member    | 2017                |
| Hon. Judith LaDonna McDonnell, LPN (1)   | Member    | 2019                |

---

---

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

---

---

| <b>Board Members</b>                    |        | <b>Term Expires</b> |
|---|--------|---------------------|
| Hon. Helen T. McAlpine, EdD (1)         | Member | 2018                |
| Hon. Chrystabell King, LPN              | Member | Deceased            |
| Hon. Melissa Ragsdale Ruiz Bullard, LPN | Member | 2016                |

**Official**

|  |  |
|--|--|
| Ms. Peggy Benson, RN, MHSA, MSN, NE-BC | Executive Officer<br>RSA Plaza, Suite 250<br>770 Washington Avenue<br>Montgomery, AL 36104<br>Phone (334) 293-5200<br>Fax (334) 293-5201<br><a href="http://www.abn.alabama.gov">www.abn.alabama.gov</a> |
|--|--|

(1) Resigned April 2017