

Report on the

**Board of Public Accountancy
State of Alabama
Montgomery, Alabama**

October 1, 2017 through September 30, 2019

Filed: June 26, 2020



**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:

An examination was conducted on the Alabama State Board of Public Accountancy, Montgomery, Alabama, for the period October 1, 2017 through September 30, 2019. Under the authority of the *Code of Alabama 1975*, Section 41-5A-19, I hereby swear to and submit this report to you on the results of the examination.

Respectfully submitted,

Gerald Dedon
Examiner of Public Accounts

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Department of
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SUMMARY

**Board of Public Accountancy
October 1, 2017 through September 30, 2019**

The Board of Public Accountancy (the “Board”) operates under the authority of the *Code of Alabama 1975*, Sections 34-1-1 through 34-1-22 and Section 40-12-71. By law, the Board exercises license/regulatory authority over individuals and businesses engaged in the public accounting profession.

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. 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.

Tests performed during the examination did not disclose any significant instances of noncompliance with applicable laws and regulations.

Board members and the Executive Director were invited to an exit conference held on May 5, 2020 via a telephone conference. Individuals participating were Board members: Wim Schaffers and J. Earl Blackmon; Boyd Busby, Executive Director; Amy Thompson, Accountant, along with Maria L. Catledge and Robin Hutcherson from the Department of Examiners of Public Accounts.



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COMMENTS

**Board of Public Accountancy
October 1, 2017 through September 30, 2019**

The Board of Public Accountancy (the “Board”) operates under the authority of the *Code of Alabama 1975*, Sections 34-1-1 through 34-1-22 and Section 40-12-71. By law, the Board exercises license/regulatory authority over individuals and businesses engaged in the profession of public accounting. The Board is the State’s licensing and regulatory agency for the practice of public accounting.

The Board is comprised of seven members appointed by the Governor and confirmed by the Senate. Five members must be certified public accountants in good standing with the Board and who are appointed from nominees submitted by the Alabama Society of Certified Public Accountants. A sixth member must be an actively licensed public accountant appointed from nominations submitted by the Alabama Association of Accountants. The seventh member is appointed from nominees selected by the Alabama Society of Certified Public Accountants, must be an active and reputable member of the Alabama business community who possesses a knowledge and understanding of financial transactions and financial statements and is not an active licensee of the Board.

If the Alabama Society of Certified Public Accountants does not timely submit nominations for a position on the Board, the Board may submit nominations for the position to the Governor.

The members may serve two, complete four-year terms and may continue to serve until their successors are appointed and confirmed. After a one-year absence from the Board, a member may again serve.

The Executive Director, who is appointed by the Board, supervises the day-to-day operations of the Board. The Executive Director serves at the pleasure of the Board.

The Board operates from Special Revenue Fund 0352 maintained 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 legislative appropriation. Unexpended balances in the Board's fund at year-end are retained by the Board.

The Board owned nonconsumable personal property consisting of automobiles, office furniture, computers and equipment. A comparison was done of nonconsumable personal property in the custody of the Board with property records maintained by the Property Inventory Division of the State Auditor's Office. No discrepancies were noted.

Schedule of Cash Receipts, Disbursements and Balances
For the Period October 1, 2017 through September 30, 2019

	2018-2019	2017-2018
Receipts		
Licensing Fees	\$ 1,126,275.10	\$ 1,110,210.85
Professional Occupation Exam Fees	287,381.28	239,313.90
Miscellaneous (1)	200.00	1,420.00
Professional Occupation Penalty	240,300.21	196,280.00
Salvage	4.86	
Total	<u>1,654,161.45</u>	<u>1,547,224.75</u>
Disbursements		
Personnel Costs	561,007.62	734,378.05
Employee Benefits	179,691.64	205,553.92
Travel, In-State	5,569.81	6,951.27
Travel, Out-of-State	38,025.52	25,858.95
Repair and Maintenance	887.25	3,174.72
Rentals and Leases	138,898.67	118,350.07
Utilities and Communication	16,815.69	15,520.61
Professional Services	335,611.33	334,904.50
Supplies, Materials, and Operating Expenses	32,455.78	29,489.30
Transportation Equipment Operations	2,580.10	1,849.31
Transportation Equipment Purchases		39,065.50
Other Equipment Purchases	20,990.14	36,302.14
Total	<u>1,332,533.55</u>	<u>1,551,398.34</u>
Excess (Deficiency) of Receipts Over Disbursements	321,627.90	(4,173.59)
Cash Balances at Beginning of Year	<u>1,361,214.25</u>	<u>1,365,387.84</u>
Cash Balances at End of Year	1,682,842.15	1,361,214.25
Reserve for Unpaid Obligations	<u>(63,397.24)</u>	<u>(146,156.61)</u>
Available Cash Balances at Year-End	<u>\$ 1,619,444.91</u>	<u>\$ 1,215,057.64</u>

(1) Annual Register fees, Certificate Mailing fees, Replacement Certificate fees.

Board Members and Official
October 1, 2017 through September 30, 2019

Board Members		Term Expires
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Hon. J. Earl Blackmon, CPA	Chairman	2019
Hon. Steven M Barranco, CPA	Member	2020
Hon. Michael Terry Comer, PA	Member	2019
Hon. Connie Sheppard-Harris, CPA	Member	2022
Hon. Steve Grice, Ph.D., CPA	Member	2019
Hon. Wim Schaffers, CPA	Member	2021
Hon. Delbert Madison	Member	2019

Official

Mr. D. Boyd Busby, CPA	Executive Director RSA Plaza Suite 226 770 Washington Ave. Montgomery, AL 36104 Ph. (334) 242-5700 Fax (334) 242-2711 www.asbpa.alabama.gov
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