

Report on the

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

October 1, 2018 through September 30, 2020

Filed: February 5, 2021



**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 Board of Physical Therapy, Montgomery, Alabama, for the period October 1, 2018 through September 30, 2020. 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 and findings of the examination.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Troy A. Eastman', is written in a cursive style.

Troy A. Eastman
Examiner of Public Accounts

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Department of
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SUMMARY

**Board of Physical Therapy
October 1, 2018 through September 30, 2020**

The Board of Physical Therapy (the “Board”) operates under the authority of the *Code of Alabama 1975*, Sections 34-24-190 through 34-24-217. By law, the Board exercises licensing and regulatory authority over physical therapists and physical therapist assistants in Alabama.

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.

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 they are summarized below.

CURRENT FINDINGS

- 2020-01 Relates to the Board not reporting property purchased to the State Auditor’s Office, Inventory Control Division in a timely manner.

- 2020-02 Relates to license fees not being deposited in a timely manner.
- 2020-03 Relates to the Board not notifying the Secretary of State of board member vacancies.

Board members and the Executive Director were invited to an exit conference held on January 19, 2021 via teleconference. Individuals in attendance were Board members: Wiley L. Christian, Margaret Hemm, Nathan McGriff and R. Vincent Molyneux; Kathy Miller, Executive Director; Sheila Dopson, Executive Assistant; and Matt Bledsoe, Legal Counsel, along with Maria L. Catledge, Robin Hutcheson and Troy Eastman from the Department of Examiners of Public Accounts.



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COMMENTS

**Board of Physical Therapy
October 1, 2018 through September 30, 2020**

The Board of Physical Therapy (the “Board”) operates under the authority of the *Code of Alabama 1975*, Sections 34-24-192 through 34-24-217. By law, the Board exercises license and regulatory authority over physical therapists and physical therapist assistance in Alabama.

The Board is comprised of seven members appointed by the Governor. Four members are physical therapists, two members are physical therapist assistants, and one is a consumer member. Board members must be residents of Alabama, and the professional members must have practiced within the state for three years preceding appointment. Members serve five-year terms and may not be appointed for more than two consecutive terms.

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

The Board operates from Special Revenue Fund 0378, maintained in the State Treasury, established by the *Code of Alabama 1975*, Section 34-24-195. 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 remain on hand for subsequent expenditure.

The Board owned nonconsumable personal property consisting of 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 Control Division of the State Auditor’s Office. Discrepancies were noted and are reflected in Finding 2020-01.

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*Schedule of State Legal
Compliance and Other Findings*

Schedule of State Legal Compliance and Other Findings
For the Examination Period Ended September 30, 2020

Ref. No.	Finding/Noncompliance
2020-01	<p><u>Finding:</u> The Board did not report the purchase of a computer tower and two televisions with a total cost of \$5,584.66 to the State Auditor’s Office, Property Inventory Control Division within 30 days. Property was reported to the State Auditor’s Office nine months after they were purchased.</p> <p>The Office of the Alabama State Auditor’s Property Inventory Manual states, “Within 30 days of receiving an item of furniture or equipment having a value of \$500 or more; any item deemed sensitive by Chief, Property Division, State Auditor’s Office; and all weapons; by purchase, transfer from another agency, or donation, the Property Manager shall take the following actions:</p> <ol style="list-style-type: none"> a. Assign a state property number. The property inventory control number consists of a two-digit agency prefix assigned by the Property Division, and a 6-digit number assigned by the agency. b. Affix a property inventory and bar code label to the item. c. Report receipt of the item to the State Auditor’s Office using an automated system.” <p><u>Recommendation:</u> All property costing \$500 or more should be reported to the State Auditor’s Office using the automated system within 30 days as required.</p>
2020-02	<p><u>Finding:</u> License fees were not deposited in a timely manner. Fourteen bank deposits consisting of one hundred sixty-seven checks and money orders were reviewed for the examination period of October 1, 2018 through September 30, 2020. Forty of the one hundred sixty-seven checks and money orders were deposited 15-51 days after they were received.</p> <p>The Board is responsible for establishing and maintaining an effective system of internal accounting controls to provide reasonable assurance that receipts are deposited in a timely manner. Failure to promptly deposit checks and money orders unnecessarily increases the risk of loss or misuse of state funds.</p> <p><u>Recommendation:</u> The Board should deposit all license fees in a timely manner.</p>

Schedule of State Legal Compliance and Other Findings
For the Examination Period Ended September 30, 2020

Ref. No.	Finding/Noncompliance
2020-03	<p><u>Finding:</u></p> <p>The Board did not notify the Secretary of State of a vacancy occurring as a result of a Board member’s term that expired on October 6, 2018. Additionally, the Board did not notify the Secretary of State within 15 days that a Board member had resigned, which created a vacancy on the Board.</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 the expiration of a term as soon as possible and in any case within 15 days after the occurrence of the vacancy.”</p> <p><u>Recommendation:</u></p> <p>The Board should notify the Secretary of State of vacancies occurring as a result of the expiration of a member’s term at least forty-five days before the term expires and should notify the Secretary of State within fifteen days of each vacancy occurring for any reason other than the expiration of a term.</p>

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***Schedule of Cash Receipts, Disbursements and Balances
For the Period October 1, 2018 through September 30, 2020***

	2019-2020	2018-2019
<u>Receipts</u>		
License/Permit Fee	\$ 272,874.37	\$ 745,395.00
Professional Occupation Penalty	2,425.00	8,375.00
Total	<u>275,299.37</u>	<u>753,770.00</u>
<u>Disbursements</u>		
Personnel Costs	182,104.12	173,087.60
Employee Benefits	70,400.00	69,237.28
Travel-In-State	6,647.63	15,392.36
Travel-Out-of-State	881.19	1,284.52
Repairs and Maintenance	849.12	455.02
Rentals and Leases	62,143.18	60,166.55
Utilities and Communications	4,746.47	6,853.87
Professional Services	69,400.48	69,441.85
Supplies, Materials and Operating Expenses	7,139.20	8,281.95
Other Equipment Purchases	6,817.28	
Total	<u>411,128.67</u>	<u>404,201.00</u>
Excess (Deficiency) of Receipts Over Disbursements	(135,829.30)	349,569.00
Cash Balances at Beginning of Year	<u>1,681,461.94</u>	<u>1,331,892.94</u>
Cash Balances at End of Year	1,545,632.64	1,681,461.94
Reserve for Unpaid Obligations	<u>(22,799.66)</u>	<u>(20,000.00)</u>
Available Cash Balances at Year-End	<u>\$ 1,522,832.98</u>	<u>\$ 1,661,461.94</u>

Board Members and Officials
October 1, 2018 through September 30, 2020

Board Members		Term Expires
Hon. Wiley J. Christian, III	Chairman	2020
Hon. Nathan McGriff	Member	2023
Hon. Jonathan R. Zecher	Member	2024
Hon. Alina Adams	Member	2022
Hon. Ellen Strunk	Member	2021
Hon. R. Vincent Molyneux	Member	2022
Hon. Margaret Hemm	Member	2021
Hon. Randi Fisher Borrego	Member	2021 (1)
<u>Officials</u>		
Ms. Sheila Wright Dopson	Interim Executive Director 100 N. Union St., Ste. 724 Montgomery, AL 36130 Ph. 888-726-9743 www.pt.alabama.gov	
Mr. Jeffrey Vinzant	Executive Director	July 2020
(1) Resigned November 2019		