

**ARKANSAS BUDGET SYSTEM  
AGENCY PROGRAM COMMENTARY  
1997 - 1999**

GRADING FEE APPROPRIATION

Increase in grading fee appropriation is necessary because of the increase in fees charged by the AICPA for grading of the CPA exam papers.

PROFESSIONAL FEES AND SERVICE APPROPRIATION

An increase in Prof Fees and Service appropriation is necessary due to added cost of supporting computer system and added cost for volunteer proctors assisting in administering the CPA exam

OPERATING EXPENSE APPROPRIATION

Increase in operating expense appropriation is necessary because of increase in rent charged by state.

CONFERENCE FEES AND TRAVEL

Decrease in conference fees and travel due to the Board's decision to reduce these fees and devote resources to compliance efforts. Namely, hiring a full time investigator.

SALARY REQUEST FOR INVESTIGATOR

An increase in the appropriation for investigator's salary is necessary to improve compliance and enforcement efforts. Changing position from a permanent part time to full time and increasing salary to level commensurate with professional status of CPA.

SALARY REQUEST FOR EXECUTIVE DIRECTOR

An increase in the appropriation for investigator's salary is requested as part of goal to make Agency more compliance oriented and increase the professionalism of staff. Increase is necessary to attract and retain a person with CPA credentials.

<b>AGENCY</b>	<b>DIRECTOR</b>	<b>AGENCY PROGRAM COMMENTARY</b>	<b>PAGE</b>
Arkansas State Board of Public Accountancy	Rollie Friess	<b>BR21</b>	<b>3</b>

ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY  
SUMMARY OF AUDIT FINDINGS AND RECOMMENDATIONS  
FOR THE YEAR ENDED JUNE 30, 1995

Assets										Liabilities			Total Equity
Cash and Investments	Fixed		Other	Total	Current	Long-term	Total		Total Equity				
\$ 159,872	\$ 38,275		\$	\$ 198,147	\$	\$	\$ 0		\$ 198,147				

  

Revenues					Expenditures					Other Sources (Uses)	
Inter-governmental	Federal	Licenses and Fees	Other	Total	Salaries and Matching	Grants and Aid	Capital	Other Operating	Total		Other Sources (Uses)
\$	\$	\$ 338,200	\$ 5,625	\$ 343,825	\$ 160,597	\$	\$ 4,549	\$ 188,862	\$ 354,008		\$

  

Findings	Recommendations
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EXPENSE REIMBURSEMENT RECORDS

Expenditures for some travel expense reimbursements are made without retention of receipts, invoices, or any form of documentation other than expense reports.

Records retention procedures for these expenditures should be identical for all such reimbursements, and to procedures for other types of expenditures.

AGENCY RESPONSE

The audit finding involved certain expenditures by Board members that historically had not been fully documented. Immediately following the presentation by the auditor, the Board voted to correct that practice.

ARKANSAS BUDGET SYSTEM  
 EMPLOYMENT SUMMARY  
 AS REQUIRED BY ACT 358 OF 1993

AGENCY TITLE 203 - State Board of Public Accountancy

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	<u>1</u>	<u>2</u>	<u>3</u>	<u>75</u>
BLACK EMPLOYEES	<u>0</u>	<u>1</u>	<u>1</u>	<u>25</u>
EMPLOYEES OF OTHER RACIAL MINORITIES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL EMPLOYED AS OF <u>08/10/96</u> DATE			<u>4</u>	
			TOTAL MINORITIES	<u>25</u>
			TOTAL EMPLOYEES	<u>100</u>

*Rodriguez*  
 AGENCY DIRECTOR

**SUMMARY**  
**STATUS OF NEW PROGRAMS/EXPANSIONS AUTHORIZED BY THE 80TH GENERAL ASSEMBLY**  
 AGENCY: STATE BOARD OF PUBLIC ACCOUNTANCY

PROGRAM AUTHORIZED	# POS. AUTH.	ADDITIONAL AUTHORIZED APPROPRIATION		STATUS
		FY 95-96	FY 96-97	
<b><u>APPROPRIATION A25 - CASH OPERATIONS</u></b>				
Operating Expenses		\$15,000	\$15,000	The Agency utilized \$14,931 of the additional authority in FY96 and has budgeted all of the additional authority in FY97.
Capital Outlay		\$4,000	\$4,000	In FY96 \$3,933 of the additional authority was expended and in FY97 all of the additional authority is budgeted.

**ARKANSAS BUDGET SYSTEM  
ANALYSIS OF BUDGET REQUEST  
1997 - 1999**

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The State Board of Public Accountancy is responsible for assuring that persons attesting as experts in accountancy are qualified to do so. The operations of the Board are funded from the receipt of fees charged by the Agency. The agency has not requested a fee increase, however in July of 1996 the board administratively increased the annual license fee by \$10 as well as the CPA exam fee which was also increased by \$10.

The Board is requesting a Base Level of \$440,873 in FY98 and \$446,759 in FY99, including 5 positions. Included in the Base Level request are payplan increases of 2.8% each year with associated Personal Services Matching. Also included are extraordinary line item salary increases for the Executive Director (from \$44,069 in FY97 to \$55,000 in FY98 and \$56,539 in FY99) and Investigator (from \$20,049 in FY97 to \$45,000 in FY98 and \$46,260 in FY99) positions. The extraordinary salary increases are requested in order to establish the salaries at levels that would attract certified public accountants. The increase for the Investigator position would also provide for what is now a part time (60%) position to be full time.

The priorities requested by the agency total \$3,759 for each year and are primarily inflationary increases. The agency has requested a reduction in the Conference Fees & Travel line item in an effort for devote more resources to compliance efforts, primarily by hiring a full time investigator.

Expenditure of appropriation is dependent upon available funds.

The Executive Recommendation provides for Agency Request, however the recommendation does not reflect the extraordinary increases requested for non-classified positions at this time.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF	PAGE
Name: State Board of Public Accountancy  Code: 203	Name: Cash Operations  Code: A25	Name: Accounting Board Cash  Code: 303	BUDGET REQUEST  BR20	<b>7</b>

ARKANSAS BUDGET SYSTEM

CHARACTER TITLE	-----EXPENDITURES-----		96-97	-----97-98 FISCAL YEAR-----			-----98-99 FISCAL YEAR-----			-----R E C O M M E N D A T I O N S-----			
	95-96	96-97	AUTHORIZED	BASE	PRIORITY	TOTAL	BASE	PRIORITY	TOTAL	EXECUTIVE		LEGISLATIVE	
	ACTUAL	BUDGETED	APPRO							97-98	98-99	97-98	98-99
REGULAR SALARIES	121,532	138,009	130,596	178,791	0	178,791	183,795	0	183,795	144,703	148,753		
NUMBER OF POSITIONS	5	5	5	5	0	5	5	0	5	5	5		
PERSONAL HELP	240	1,000	1,000	1,000	0	1,000	1,000	0	1,000	1,000	1,000		
NUMBER OF POSITIONS	1	1	1	1	0	1	1	0	1	1	1		
PERSONAL SERVICE MATCHING	30,481	27,386	36,724	46,841	0	46,841	47,723	0	47,723	40,795	41,511		
TRAINING EXPENSES	109,181	109,250	109,250	109,250	750	110,000	109,250	750	110,000	110,000	110,000		
TRAVEL FEES & TRAVEL	8,213	12,199	12,199	12,199	-4,199	8,000	12,199	-4,199	8,000	8,000	8,000		
TRAVEL FEES & SERVICES	15,394	13,271	13,271	13,271	2,229	15,500	13,271	2,229	15,500	15,500	15,500		
CAPITAL OUTLAY	3,933	4,000	4,000	0	0	0	0	0	0				
REFUNDS	6,360	7,521	7,521	7,521	1,979	9,500	7,521	1,979	9,500	9,500	9,500		
TRAINING FEES	65,830	72,000	72,000	72,000	3,000	75,000	72,000	3,000	75,000	75,000	75,000		
TOTAL	361,164	384,636	386,561	440,873	3,759	444,632	446,759	3,759	450,518	404,498	409,264		
PROPOSED FUNDING SOURCES			*****										
UNDEVELOPED BALANCES	159,872	163,620	*****	130,509		130,509	125,877		125,877	130,509	166,011		
GENERAL REVENUES			*****										
SPECIAL REVENUES			*****										
GENERAL FUNDS			*****										
STATE CENTRAL SERVICES FUND			*****										
STATE REVENUE RECEIPTS			*****										
STATE FUNDS	364,912	351,525	*****	436,241	3,759	440,000	436,241	3,759	440,000	440,000	440,000		
OTHER			*****										
TOTAL FUNDING	524,784	515,145	*****	566,750	3,759	570,509	562,118	3,759	565,877	570,509	606,011		
LESS APPRO/ (FUNDING)	( 163,620)	( 130,509)	*****	( 125,877)		( 125,877)	( 115,359)		( 115,359)	( 166,011)	( 196,747)		
TOTAL	361,164	384,636	*****	440,873	3,759	444,632	446,759	3,759	450,518	404,498	409,264		

PT 007 REGULATORY BOARDS AND COMMISSIONS  
 Y 203 STATE BOARD OF ACCOUNTANCY  
 PRO A25 CASH OPERATIONS  
 ND 303 ACCOUNTING BOARD CASH(203)

APPROPRIATION SUMMARY

The FY97 Budgeted amounts in Regular Salaries and/or Personal Services Matching may exceed the Authorized amounts due to the implementation of the pay plan during the 1995-97 biennium.

BR 215

ARKANSAS BUDGET SYSTEM  
PROGRAM/SERVICE INFORMATION LIST  
RANK BY APPROPRIATION

01	02	03	04	05	06	07	08	09	10	11	12	13	14	15	16	17	18	19
RANK	PROGRAM DESCRIPTION	FUND	ACCOUNTING INFORMATION	D E S	EXPENDITURES		1997 - 99 BIENNIAL REQUESTS				RECOMMENDATIONS							
					ACTUAL	BUDGETED	FY 1997 - 98		FY 1998 - 99		EXECUTIVE		LEGISLATIVE					
					95-96	96-97	REQUEST	REQUEST	1997-98	1998-99	1997-98	1998-99						
000		303	203 A25	B	361,164 5	384,636 5	440,873 5		446,759 5					400,739 5	405,505 5			
001		303	203 A25	P01		0	3,759 0		3,759 0					3,759	3,759			
<p>The increase in <b>Operating Expenses</b> appropriation is necessary because of an increase in rent charged by the State. A decrease in <b>Conference Fees and Travel</b> is requested due to the Board's decision to reduce these fees and devote resources to compliance efforts. Namely, hiring a full time investigator. An increase in <b>Professional Fees and Services</b> appropriation is necessary due to added cost of the supporting computer system and added cost for volunteer proctors assisting in administering the CPA exam. An increase in <b>Fee Refunds</b> is requested due to an increase in refund amounts for candidates not qualifying to take the exam. The increase in <b>Grading Fees</b> is due to an increase in fees charged by the AICPA for grading of CPA exam papers.</p>																		

DEPT 007 REGULATORY BOARDS AND COMMISSIONS  
AGY 203 STATE BOARD OF ACCOUNTANCY  
APPRO A25 CASH OPERATIONS  
FUND 303 ACCOUNTING BOARD CASH(203)

RANK BY APPROPRIATION  
BR 264