

# STATE BOARD OF ACCOUNTANCY

## Enabling Laws

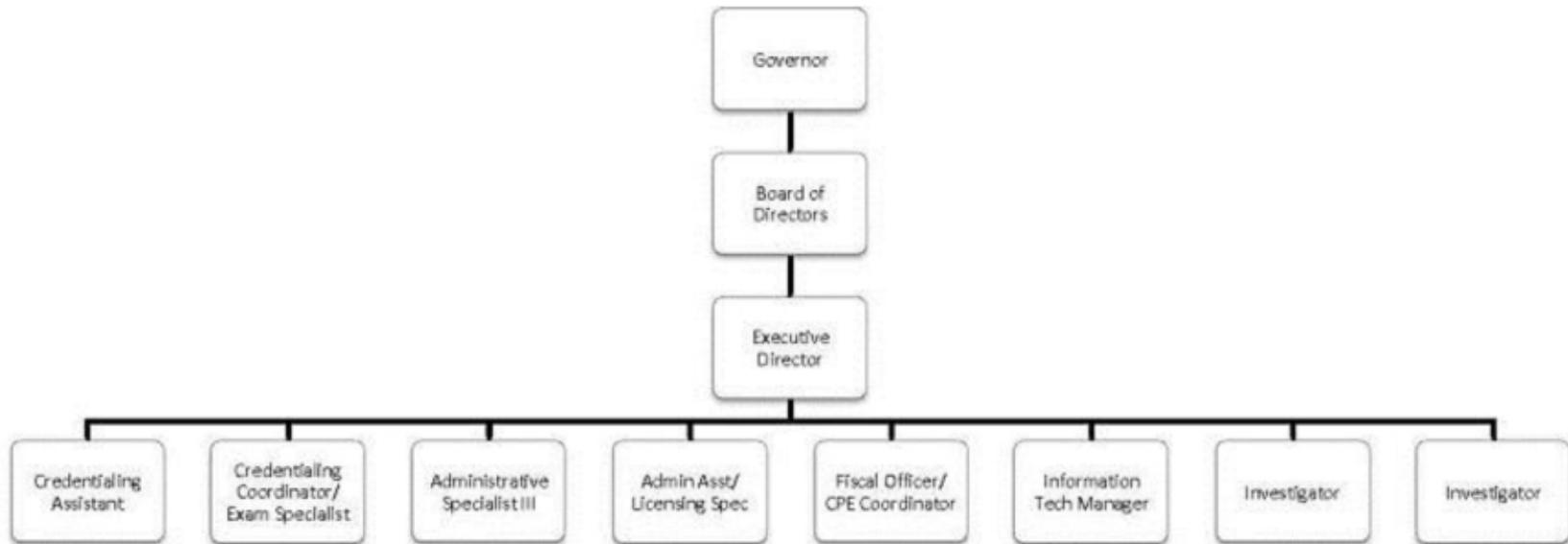
Act 134 of 2014  
A.C.A. §17-12-101 et seq.

## History and Organization

Act 229 of 1915 established the Accountancy Board. Act 160 of 1975 repealed Act 229 and is known as the Public Accountancy Act of 1975. It authorized a seven member Board that is made up of five CPA's, a consumer representative and a senior citizen. The mission of the Board is to protect the public welfare by establishing and maintaining a high standard of integrity and dignity in the practice of public accountancy. The statutory responsibility of the Board is to see that persons attesting as experts in accountancy as to the reliability or fairness of presentation of financial information be qualified to do so and that such be reserved to persons who demonstrate their ability and fitness to observe and apply the standards of the accounting profession.

The primary activities of the Board are to:

- Process applications, evaluate and certify education of exam candidates for eligibility to take the Uniform CPA Examination.
- Grant certifications to those who pass the CPA examination and those that otherwise qualify.
- Determine whether those who apply for a license to practice qualify.
- Annually register and issue licenses to all CPA's, PA's and Firms practicing public accounting.
- Investigate violations of the Public Accountancy Act and take disciplinary action when appropriate after conducting a hearing.
- Monitor mandatory continuing professional education on CPA's and PA's who hold licenses to practice.
- Administer a Quality Review Program on audit, compilation, review and governmental audit reports.



**Agency Commentary**

The State Board of Public Accountancy was authorized by Arkansas Code Annotated § 17-12-201, and is responsible for oversight and regulation of the practice of public accounting and those persons who are performing duties as a certified public accountant and public accountant. The Board is responsible for promulgating and amending rules of professional conduct appropriate to establishing and maintaining a high standard of integrity and dignity in the profession of public accounting; and issuing rules of professional conduct pertaining to corporations practicing public accounting. Further, the Board is responsible for determining the qualifications of applicants for the CPA examination, processing applications, certifying education and continuing educational requirements and authorizing the issuance of new and renewal licenses to those individuals meeting the standards established for the practice of public accounting. The Board investigates all alleged and factual violations of the accountancy’s licensing law as well as holds hearings and assesses penalties to ensure compliance. The Agency receives no funding from the State because the operations of the Board are cash funded from the receipt of fees charged for licensing, issuance, renewal of licenses, examination, and penalties and fines associated with violations of regulations.

The Board requests Base Level appropriation for the 2015-2017 Biennium.

## Audit Findings

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF :  
ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY  
FOR THE YEAR ENDED JUNE 30, 2013

Findings	Recommendations
None	None

### State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2014

None

### Employment Summary

	Male	Female	Total	%
White Employees	4	4	8	100 %
Black Employees	0	0	0	0 %
Other Racial Minorities	0	0	0	0 %
Total Minorities			0	0 %
Total Employees			8	100 %

### Cash Fund Balance Description as of June 30, 2014

Fund Account	Balance	Type	Location
3030000	\$1,144,736	Investment	Regions Investment/Raymond James

Statutory/Other Restrictions on use:

Public Accountancy Act of 1975 as amended. A.C.A. §17-12-100 et seq. All fees and other moneys received by the Arkansas State Board of Public Accountancy pursuant to the provisions of this chapter shall be kept in a separate fund and expended solely for the purposes of this chapter.

Statutory Provisions for Fees, Fines, Penalties:

Public Accountancy Act of 1975 as amended A.C.A §17-12-306 – The Arkansas State Board of Public Accountancy shall charge a fee to each applicant applying to sit for the examination.

Revenue Receipts Cycle:

Fall/Winter receipt of Annual Registration from registrants. Year round registration for Uniform CPA Examination.

Fund Balance Utilization:

Funds expended to meet expenditures in accordance with appropriations act for the Board of Public Accountancy.

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Fund Account	Balance	Type	Location
3030000	\$336,084	Checking/Savings	Regions Bank

Statutory/Other Restrictions on use:

Public Accountancy Act of 1975 as amended. A.C.A. §17-12-100 et seq. All fees and other moneys received by the Arkansas State Board of Public Accountancy pursuant to the provisions of this chapter shall be kept in a separate fund and expended solely for the purposes of this chapter.

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Fund Balance Utilization:

Funds expended to meet expenditures in accordance with appropriations act for the Board of Public Accountancy.

## Publications

### A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
Annual Financial Report	A.C.A. §17-12-204(b)	Y	N	0	A.C.A. §17-12-204(b). Approximately 20 copies are provided by the independent audit firm	0	0.00
Directory of Licensees	A.C.A. §17-12-203(b)	N	N	0	A.C.A. §17-12-203(b). Available on the Agency's website.	0	0.00

## Agency Position Usage Report

FY2012 - 2013						FY2013 - 2014					FY2014 - 2015						
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
9	9	0	9	0	0.00 %	9	9	0	9	0	0.00 %	9	9	0	9	0	0.00 %

## **Analysis of Budget Request**

**Appropriation:** A25 - Accounting Board-Cash Operations

**Funding Sources:** 303 - Accountancy Board - Cash

The State Board of Public Accountancy was authorized by Arkansas Code Annotated §17-12-201, and is responsible for oversight of the practice of public accounting and individuals performing duties as a certified public accountant. The Board is responsible for promulgating and amending the rules of professional conduct to establish and maintain high standards of integrity and dignity within the profession; printing and distributing to the public a register of all practitioners holding permits for the practice public accountancy; and issuing rules of professional conduct pertaining to corporations practicing public accounting. Further, the Board is responsible for administering an examination, certifying educational and continuing educational requirements, and issuing certificates and licenses to those individuals meeting established standards for the practice of public accounting. The operations of the Board are funded from examination and license fees charged by the agency.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2015 1% Cost of Living Adjustment and Career Service payments for eligible employees. Personal Services Matching also includes a \$10 increase in the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base level salaries and matching do not include appropriation for Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Board requests Base Level appropriation for the 2015-2017 Biennium.

The Executive Recommendation provides for the Agency Request. Expenditure of appropriation is contingent upon available funding.

# Appropriation Summary

**Appropriation:** A25 - Accounting Board-Cash Operations

**Funding Sources:** 303 - Accountancy Board - Cash

## Historical Data

## Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2013-2014 Actual	2014-2015 Budget	2014-2015 Authorized	2015-2016			2016-2017		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	440,581	445,845	440,181	451,388	451,388	451,388	451,388	451,388	451,388
<b>#Positions</b>		<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>
Personal Services Matching	5010003	145,197	142,632	147,936	145,218	145,218	145,218	145,218	145,218	145,218
Operating Expenses	5020002	194,352	265,662	270,662	265,662	265,662	265,662	265,662	265,662	265,662
Conference & Travel Expenses	5050009	12,456	20,583	15,583	20,583	20,583	20,583	20,583	20,583	20,583
Professional Fees	5060010	23,376	39,041	39,041	39,041	39,041	39,041	39,041	39,041	39,041
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	6,466	14,520	14,520	14,520	14,520	14,520	14,520	14,520	14,520
Capital Outlay	5120011	0	10,000	10,000	0	0	0	0	0	0
Exam Fees	5900046	211,249	280,000	280,000	280,000	280,000	280,000	280,000	280,000	280,000
<b>Total</b>		<b>1,033,677</b>	<b>1,218,283</b>	<b>1,217,923</b>	<b>1,216,412</b>	<b>1,216,412</b>	<b>1,216,412</b>	<b>1,216,412</b>	<b>1,216,412</b>	<b>1,216,412</b>

Funding Sources										
Fund Balance	4000005	1,460,658	1,480,820		1,262,537	1,262,537	1,262,537	1,046,125	1,046,125	1,046,125
Cash Fund	4000045	1,053,839	1,000,000		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Total Funding		2,514,497	2,480,820		2,262,537	2,262,537	2,262,537	2,046,125	2,046,125	2,046,125
Excess Appropriation/(Funding)		(1,480,820)	(1,262,537)		(1,046,125)	(1,046,125)	(1,046,125)	(829,713)	(829,713)	(829,713)
<b>Grand Total</b>		<b>1,033,677</b>	<b>1,218,283</b>		<b>1,216,412</b>	<b>1,216,412</b>	<b>1,216,412</b>	<b>1,216,412</b>	<b>1,216,412</b>	<b>1,216,412</b>

FY15 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2013-2015 Biennium.

Budget exceeds Authorized Appropriation in Conference & Travel Expenses by authority of a Budget Classification Transfer.