

**ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM**  
**AGENCY PROGRAM COMMENTARY**  
**2003 - 2005**

The State Board of Accountancy is responsible for assuring those individuals who are attesting to financial records as experts in accountancy are qualified to do so. The operations of the Board are funded from the receipts of fees charged by the agency. The budget request for the agency reflects \$630,464 as Base Level for FY04 and \$638,783 for FY05. Change Level requests total \$77,693 for FY04 and \$92,423 for FY05.

Operating Expenses:

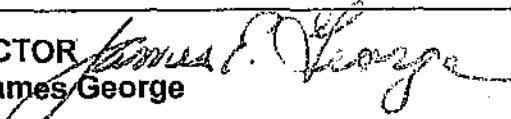
Increase of \$11,381 in FY04 and an increase of \$22,790 in FY05 for expected inflation of 2.7% per fiscal year and also includes an increase in Rent of Facilities of \$8,119 per year and Printing of \$143 in FY04 and \$7,000 to produce the CPA/PA directory.

Regular Salaries and Personal Services Matching:

Addition of 2 new positions (2 Credentialing Assistants) to assist with the increasing workload and complexity of Issues effecting protection of the public welfare, an increase of \$44,600 for FY04 and \$45,804 for FY05.

Salary increases for three positions (Bd of Acct Receptionist/Exam Specialist, Bd of Acct Examination/Registration Spec. and Bd of Acct Admin/Licensing Spec.) To bring into alignment with competitive market, an increase of \$8,457 in FY04 and \$8,683 in FY05.

Increase in Personal Services Matching due to the two previous items of \$11,720 in FY04 and \$12,036 in FY05.

<p><b>AGENCY</b> State Board of Accountancy</p>	<p><b>DIRECTOR</b> James George </p>	<p><b>AGENCY</b> <b>PROGRAM</b> <b>COMMENTARY</b></p>	<p><b>PAGE</b> <b>13</b></p>
---	---	---	----------------------------------

DIVISION OF LEGISLATIVE AUDIT  
AUDIT OF:  
ARKANSAS STATE BOARD OF PUBLIC ACCOUNTANCY  
FOR THE YEAR ENDED JUNE 30, 2001

Findings

None

Recommendations

None

SA0720301  
Audit Conducted By: Little, Shaneyfelt, Marshall, Romine & Co., CPAs

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM  
 EMPLOYMENT SUMMARY  
 Required by: A.C.A. 19-4-307

AGENCY TITLE: 0203 STATE BD OF ACCOUNTANCY

---

	MALE	FEMALE	TOTAL	PERCENTAGE OF TOTAL
WHITE EMPLOYEES	1	5	6	100%
BLACK EMPLOYEES	0	0	0	0%
EMPLOYEES OF OTHER RACIAL MINORITIES	0	0	0	0%
TOTAL EMPLOYED AS OF			0	0%
DATE	08/05/2002		TOTAL MINORITIES	

*Sharon L. Smith Jones & George*  
 \_\_\_\_\_  
 AGENCY DIRECTOR

**CASH FUND BALANCE DESCRIPTION  
AS OF JUNE 30, 2002**

**AGENCY:** Arkansas Board of Public Accountancy

ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
1102030011	\$4,372.00	Checking	Regions Bank	Public Accountancy Act of 1975 as amended A.C.A. § 17-12-100 et seq
1102030012	\$40,780.00	Savings	Regions Bank	
1100001002	\$1,047.00	Treasury	Government of Arkansas	
1102330011	\$206,568.00	Investment	Regions Invest/Morgan Keegan	
				<b>STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:</b>
				Public Accountancy Act of 1975 as amended
				<b>REVENUE RECEIPTS CYCLE:</b>
				Fall - Winter receipt of Annual Registration from registrants. Semi-annual administration of Uniform CPA Examination
				<b>FUND BALANCE UTILIZATION:</b>
				Funds expended to meet expenditures I.a.w. appropriations act for ASBPA.
ACCOUNT INFORMATION				STATUTORY/OTHER RESTRICTIONS ON USE:
FUND ACCT.	BALANCE	TYPE	LOCATION	
				<b>STATUTORY PROVISIONS FOR FEES, FINES, PENALTIES:</b>
				<b>REVENUE RECEIPTS CYCLE:</b>
				<b>FUND BALANCE UTILIZATION:</b>

**ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM  
STATE AGENCY PUBLICATIONS**

Fiscal Year 2002-2003

Required by: A.C.A. 25-1-204

AGENCY: Arkansas State Board of Public Accountancy

NAME OF PUBLICATION	STATUTORY AUTHORIZATION	PUBLICATION REQUIRED FOR GOVERNOR AND/OR GENERAL ASSEMBLY ONLY	NUMBER OF COPIES PUBLISHED	REASON(S) FOR CONTINUED PUBLICATION AND DISTRIBUTION
Directory of Licensees	A.C.A. 17-12-203 (B)	No	7,700	Existence of Statutory Requirement

**ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM**  
**ANALYSIS OF BUDGET REQUEST**  
**2003 - 2005**

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 those persons who are performing duties as a certified 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 accountancy; printing and publishing for public distribution a biennial register of all practitioners holding permits to 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 the standards established for the practice of public accounting. The operations of the Board are funded from the receipt of examination and license fees charged by the Agency. The budget request for the Board of Public Accountancy reflects a Base Level of \$630,464 in FY04 and \$638,783 in FY05. The Base Level request includes a 2.7% salary increase each year over the FY03 salary levels for all incumbents plus associated increases in Personal Services Matching. Included in Personal Services Matching is a \$33 per month increase in the monthly contribution for State employee's health insurance for a total state contribution of \$280 per month per budgeted employee.

Change Level requests total \$77,693 in FY04 and \$92,423 in FY05 to include addition of two (2) new positions (Credentialing Assistants) and salary increases for three positions to achieve market level compensation for a total salary and matching cost of \$64,777 and \$66,523 in FY04 and FY05 respectively. Increases in Operating Expenses total \$11,381 in FY04 and \$22,790 in FY05. Increases include a 2.7% expected inflation increase, as well as an increase in Rent of Facilities of \$8,119 per year and increase in Printing of \$143 in FY04 and \$7,000 in FY05 to produce the CPA/PA directory.

The Executive Recommendation provides for the Agency Request.

Expenditure of appropriation is contingent upon available funding.

AGENCY	APPROPRIATION	CASH FUND	ANALYSIS OF	PAGE
Name: Board of Public Accountancy	Name: Accountancy-Cash	Name: Accounting Board Cash	BUDGET REQUEST	
Code: 203	Code: A25	Code: 303		<b>18</b>

**ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM**  
**Biennial Appropriation Summary**

Agency Name                    STATE BOARD OF ACCOUNTANCY  
 Agency Code                    203  
 Appropriation Name            Accountancy Board-Cash  
 Appropriation Code            A25  
 Fund Name                      Accounting Board-Cash  
 Fund Code                      303

Character Name	Code	Expenditures				
		2001-02	2002-03		2002-03	
		Actual	Budget	Pos.	Authorized	Pos.
Regular Salaries	5010000	227,278	245,736	6	247,410	6
Extra Help	5010001	2,260	5,000	1	5,000	1
Personal Serv Match	5010003	55,891	72,717	0	63,967	0
Operating Expenses	5020002	157,431	150,679	0	146,679	0
Travel-Conferences	5050009	10,703	13,281	0	14,300	0
Capital Outlay	5120011	0	6,000	0	10,000	0
Prof. Fees & Serv	5060010	21,119	16,119	0	16,119	0
Data Processing	5090012	12,147	12,000	0	12,000	0
Refunds/Reimburse	5110014	8,615	9,500	0	9,500	0
Grading Fees	5900046	67,899	95,000	0	132,270	0
<b>Grand Total</b>		<b>573,342</b>	<b>626,033</b>	<b>7</b>	<b>657,245</b>	<b>7</b>

Funding Sources						
Name	Code					
Fund Balance	4000005	256,469	294,516	*****	*****	*****
Cash Funds	4000045	611,389	597,805	*****	*****	*****
Total Funding		867,858	892,321	*****	*****	*****
Excess Appro/(Funding)		(294,516)	(266,288)	*****	*****	*****
Grand Total		573,342	626,033	*****	*****	*****

The FY03 Budgeted amounts in Regular Salaries and/or Personal Services Matching may exceed the authorized amounts due to implementation of the pay plan during the 2001-03 biennium.  
 Budgeted exceeds Authorized in Operating Expenses due to a transfer from the Cash Fund Holding Account.

ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM  
Biennial Appropriation Summary

Agency Name           STATE BOARD OF ACCOUNTANCY  
Agency Code           203  
Appropriation Name    Accountancy Board-Cash  
Appropriation Code    A25  
Fund Name             Accounting Board-Cash  
Fund Code             303

Character Name	Code	Agency Request											
		2003-04						2004-05					
		Base Level	Pos.	Change Level	Pos.	Total	Pos.	Base Level	Pos.	Change Level	Pos.	Total	Pos.
Regular Salaries	5010000	252,371	6	53,057	2	305,428	8	259,185	6	54,487	2	313,672	8
Extra Help	5010001	5,000	1	0	0	5,000	1	5,000	1	0	0	5,000	1
Personal Serv Match	5010003	76,513	0	18,440	0	94,954	0	78,019	0	18,756	0	96,775	0
Operating Expenses	5020002	150,679	0	11,543	0	162,222	0	150,679	0	23,118	0	173,797	0
Travel-Conferences	5050009	13,281	0	357	0	13,638	0	13,281	0	723	0	14,004	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0	0	0	0
Prof. Fees & Serv.	5060010	16,119	0	435	0	16,554	0	16,119	0	882	0	17,001	0
Data Processing	5090012	12,000	0	324	0	12,324	0	12,000	0	657	0	12,657	0
Refunds/Reimburse	5110014	9,500	0	257	0	9,757	0	9,500	0	520	0	10,020	0
Grading Fees	5900046	95,000	0	0	0	95,000	0	95,000	0	0	0	95,000	0
<b>Grand Total</b>		<b>630,464</b>	<b>7</b>	<b>84,413</b>	<b>2</b>	<b>714,877</b>	<b>9</b>	<b>638,783</b>	<b>7</b>	<b>99,143</b>	<b>2</b>	<b>737,926</b>	<b>9</b>

Funding Sources													
Name	Code												
Fund Balance	4000005	266,288	*****	0	*****	266,288	*****	184,985	*****	0	*****	184,985	*****
Cash Funds	4000045	549,161	*****	84,413	*****	633,574	*****	586,696	*****	99,143	*****	685,839	*****
<b>Total Funding</b>		<b>815,449</b>	<b>*****</b>	<b>84,413</b>	<b>*****</b>	<b>899,862</b>	<b>*****</b>	<b>771,681</b>	<b>*****</b>	<b>99,143</b>	<b>*****</b>	<b>870,824</b>	<b>*****</b>
Excess Appr/(Funding)		(184,985)	*****	0	*****	(184,985)	*****	(132,898)	*****	0	*****	(132,898)	*****
<b>Grand Total</b>		<b>630,464</b>	<b>*****</b>	<b>84,413</b>	<b>*****</b>	<b>714,877</b>	<b>*****</b>	<b>638,783</b>	<b>*****</b>	<b>99,143</b>	<b>*****</b>	<b>737,926</b>	<b>*****</b>

**ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM**  
**Biennial Appropriation Summary**

Agency Name                    STATE BOARD OF ACCOUNTANCY  
 Agency Code                    203  
 Appropriation Name            Accountancy Board-Cash  
 Appropriation Code            A25  
 Fund Name                      Accounting Board-Cash  
 Fund Code                      303

Character		Recommendations							
		Executive				Legislative			
Name	Code	2003-04	Pos.	2004-05	Pos.	2003-04	Pos.	2004-05	Pos.
Regular Salaries	5010000	305,428	8	313,672	8	0	0	0	0
Extra Help	5010001	5,000	1	5,000	1	0	0	0	0
Personal Serv Match	5010003	94,954	0	96,775	0	0	0	0	0
Operating Expenses	5020002	162,222	0	173,797	0	0	0	0	0
Travel-Conferences	5050009	13,638	0	14,004	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0
Prof. Fees & Serv.	5060010	16,554	0	17,001	0	0	0	0	0
Data Processing	5090012	12,324	0	12,657	0	0	0	0	0
Refunds/Reimburse	5110014	9,757	0	10,020	0	0	0	0	0
Grading Fees	5900046	95,000	0	95,000	0	0	0	0	0
<b>Grand Total</b>		<b>714,877</b>	<b>9</b>	<b>737,926</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Funding Sources									
Name	Code								
Fund Balance	4000005	266,288	*****	184,985	*****	0	*****	0	*****
Cash Funds	4000045	633,574	*****	685,839	*****	0	*****	0	*****
Total Funding		899,862	*****	870,824	*****	0	*****	0	*****
Excess Appro/(Funding)		(184,985)	*****	(132,898)	*****	0	*****	0	*****
<b>Grand Total</b>		<b>714,877</b>	<b>*****</b>	<b>737,926</b>	<b>*****</b>	<b>0</b>	<b>*****</b>	<b>0</b>	<b>*****</b>

**ARKANSAS PERFORMANCE BUDGETING & ACCOUNTABILITY SYSTEM**  
Biennial Rank by Appropriation

Agency Name STATE BOARD OF ACCOUNTANCY  
 Agency Code 203  
 Appropriation Name Accountancy Board-Cash  
 Appropriation Code A25  
 Fund Name Accounting Board-Cash  
 Fund Code 303

Rank	Justification	Designation	Cost Center	2001-02	2002-03		Agency Request		Executive Recommendation		Legislative Recommendation							
				Actual	Budget	Pos.	2003-04 Pos.	2004-05 Pos.	2003-04 Pos.	2004-05 Pos.	2003-04 Pos.	2004-05 Pos.						
		BL Base Level	Total	573,342	626,033	6	630,464	6	638,783	6	630,464	6	638,783	6	0	0	0	0
1	Increase in Printing Expenses of \$143 in FY04 and \$7,000 in FY05 to produce the CPA/PA directory. Addition of 2 new positions (2 Credentialing Assistants) to assist with the increasing workload and complexity of issues effecting protection of the public welfare, an increase of \$61,172 in FY04 and \$62,642 in FY05	C01	152210 Accountancy Oper	0	0	0	143	0	7,000	0	143	0	7,000	0	0	0	0	0
		C01	152230 Accountancy PAY	0	0	0	61,172	2	62,642	2	61,172	2	62,642	2	0	0	0	0
		C01	Total	0	0	0	61,315	2	69,642	2	61,315	2	69,642	2	0	0	0	0
2	Increase in Rent of Facilities of \$8,119 for FY04 and \$8,119 for FY05	C02	152210 Accountancy Oper	0	0	0	8,119	0	8,119	0	8,119	0	8,119	0	0	0	0	0
		C02	Total	0	0	0	8,119	0	8,119	0	8,119	0	8,119	0	0	0	0	0
3	Increase in Operating Expenses due to expected inflation of 2.7% per year. \$4,654 in FY04 and \$10,781 in FY05.	C03	152210 Accountancy Oper	0	0	0	4,654	0	10,781	0	4,654	0	10,781	0	0	0	0	0
		C03	Total	0	0	0	4,654	0	10,781	0	4,654	0	10,781	0	0	0	0	0
4	Salary increases for 3 positions (Bd of Acct. Receptionist/Exam Specialist, Bd of Acct Examination/Registration Specialist and Bd of Acct Admin/Licensing Specialist), to bring into alignment with competitive market. \$10,325 in FY04 and \$10,601 in FY05.	C10 Reclass	152230 Accountancy PAY	0	0	0	10,325	0	10,601	0	10,325	0	10,601	0	0	0	0	0
		C10 Reclass	Total	0	0	0	10,325	0	10,601	0	10,325	0	10,601	0	0	0	0	0
		Grand Total	Total	573,342	626,033	6	714,877	8	737,926	8	714,877	8	737,926	8	0	0	0	0