

LIQUEFIED PETROLEUM GAS BOARD

Enabling Laws

Act 70 of 2016
A.C.A. §15-75-101

History and Organization

The mission of the Liquefied Petroleum Gas Board is to protect the interests and welfare of the general public by providing enforcement of safety requirements contained in the laws and codes that regulate the manufacture, sale, installation, and use of containers and equipment in the storage, transportation, dispensing, and utilization of liquefied petroleum gases.

Act 204 of 1939 provided the initial authority for regulation of these activities. These duties were first assigned to a section of the Boiler Inspection Division of the State Department of Labor.

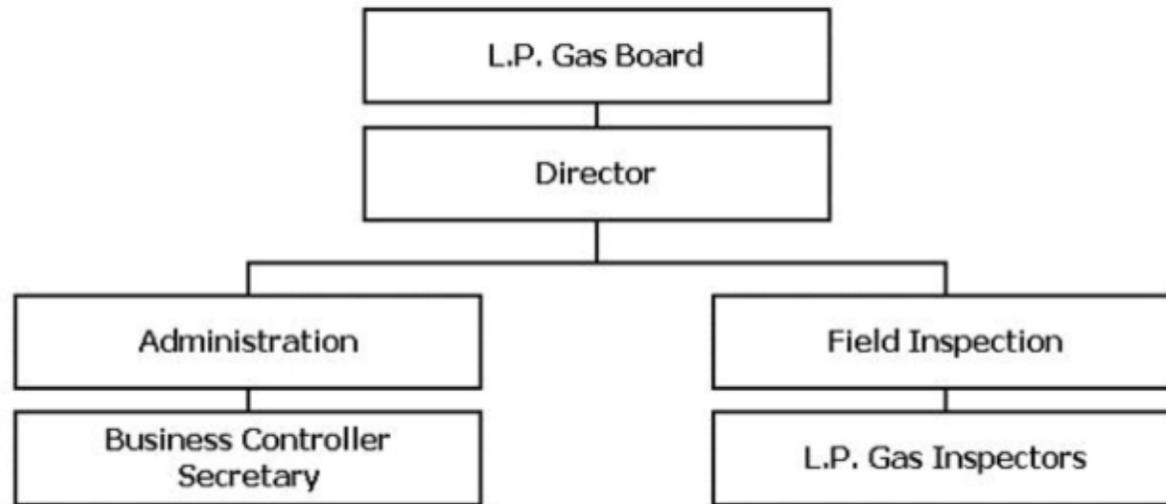
Act 18 of 1957 created a separate agency known as the State Liquefied Petroleum Gas Board that became responsible for enforcement and administration of the rules, regulations, and laws governing the Liquefied Petroleum Gas industry. A seven (7) member Liquefied Petroleum Gas Board was also created by this Act to make judgments concerning permit awards and adjudicate service and territorial disputes. The current structure of fees for permits, licenses, inspections, and registrations provides special revenue funding for Agency operations. The Agency receives no general revenue support.

Act 31 of 1965 is the present authority under which the Agency operates. This Act replaces all the previous acts and amendments and authorizes a fee for inspections of piping in domestic, commercial, industrial, and other types of buildings in which Liquefied Petroleum Gas is utilized.

The Agency's staff consists of seven (7) positions split between an Administrative Section and a Field Inspection Section. The Administrative Section provides the necessary administration, supervision, and clerical support for efficient operations. The Field Inspection Section conducts all inspections required for containers, systems, appliances, and equipment utilized in the storage, transportation, delivery, and usage of Liquefied Petroleum Gas in this State. The Field Section is also responsible for presentation of safety and educational programs on a continuing basis.

Special accomplishments and programs initiated since the formation of the current Board organizational structure in 1957 include the

aforementioned safety programs among dealers, their employees, and members of various fire departments throughout the State; setting up of qualifications for a general safety supervisor for each Liquefied Petroleum Gas dealer; strict enforcement of the Liquefied Petroleum Gas Code and the rules and regulations contained therein; improvements in installation methods and placement of large numbers of bulk and commercial storage containers; and periodic spot inspections of existing domestic installations.



Agency Commentary

The mission of the Liquefied Petroleum Gas Board is to protect the interests and welfare of the general public by providing enforcement of safety requirements contained in the laws and codes that regulate the manufacture, sale, installation, and use of containers and equipment in the storage, transportation, dispensing, and utilization of liquefied petroleum gases.

The Board is requesting Base Level appropriation for the 2017-2019 Biennium. At current levels, the agency operates in a manner that ensures it fulfills its legal obligations with the lowest burden on taxpayers and the liquefied petroleum gas industry.

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
LIQUEFIED PETROLEUM GAS BOARD
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Financial Management Guide regulation R1-19-4-501 requires that proper internal accounting controls be in place to safeguard the State's assets and to prevent fraud, errors, and defalcations. The Agency had inadequate control over P-card transactions because of insufficient segregation of duties due to a limited number of personnel. Lack of separation of the review and approval functions can allow for misappropriation of assets.

Director Sharon Coates was reimbursed \$967 in travel expenses, in noncompliance with state travel regulations.

Financial Management Guide regulation R1-19-4-903 establishes that mileage reimbursements shall be computed using map mileage between the travel destination and the employee's official station or residence, whichever is less. In addition, a traveler is only eligible for 75% of the daily allowance for meals on the first and last day of travel. Officials and employees may be reimbursed for travel expenses when an overnight stay is required to conduct state business.

- \$581 in mileage reimbursements were unallowed due to calculations that were not based on the lesser of the employee's official station or residence.
- \$111 in meal reimbursements were unallowed. Of this amount, \$53 exceeded the maximum per diem, and documentation of an official business purpose was not provided for \$58.
- \$247 of lodging expense and \$28 of parking expense did not have a documented business purpose.

Recommendations

We recommend the Agency review personnel duties and establish controls to the extent possible.

Agency Response:

Approximately three months ago, the Agency segregated the duties of Agency personnel utilizing the P-Card by eliminating the card issued to the Director and retaining only the card issued to the Business Controller. The Director became the administrator of the card and authorizes all purchases to be made on the card.

We recommend the Agency seek recoupment for the unallowed travel reimbursements. We further recommend the Agency review and comply with state laws and regulations regarding travel expenditures, including requiring Board approval for all travel by the Director.

Agency Response:

The Director repaid the Agency \$976 on February 24, 2016, for the travel reimbursement that was considered unallowed. The Director will utilize Financial Management Guide regulations for future calculations and use the shortest route, either home or office. For lodging and meal reimbursements, Department of Finance and Administration accounting procedures for reimbursement will be utilized.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2016

None

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				
L.P. Code	A.C.A. 15-75-207	N	N	5,000	Rules and Regulation Changes	0	0.00

Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
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		
7	7	0	7	0	0.00 %	7	7	0	7	0	0.00 %	7	6	1	7	0	14.29 %

Analysis of Budget Request

Appropriation: 050 - Liquefied Petroleum Gas Board-Operations

Funding Sources: SIL - Liquefied Petroleum Gas Fund

The Liquefied Petroleum Gas Board is funded by inspection, permit, and license fees that are enumerated in A.C.A. § 19-6-407. These fees are deposited as special revenues in the Liquefied Petroleum Gas Board Fund.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes 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 a Cost of Living Adjustment or Merit Pay Increases. The Base Level request for Regular Salaries includes board member stipend payments.

The Board is requesting Base Level of \$603,637 in FY18 and \$604,495 in FY19.

The Executive Recommendation provides for the Agency Request.

Appropriation Summary

Appropriation: 050 - Liquefied Petroleum Gas Board-Operations

Funding Sources: SIL - Liquefied Petroleum Gas Fund

Historical Data

Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	310,046	297,220	294,315	297,320	297,320	297,320	298,020	298,020	298,020
#Positions		7	7	7	7	7	7	7	7	7
Extra Help	5010001	0	8,300	8,300	8,300	8,300	8,300	8,300	8,300	8,300
#Extra Help		0	1	1	1	1	1	1	1	1
Personal Services Matching	5010003	104,066	101,676	101,979	103,367	103,367	103,367	103,525	103,525	103,525
Operating Expenses	5020002	88,433	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
Conference & Travel Expenses	5050009	78	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Professional Fees	5060010	10,200	38,650	38,650	38,650	38,650	38,650	38,650	38,650	38,650
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	0	0	0	0	0	0	0	0	0
Total		512,823	601,846	599,244	603,637	603,637	603,637	604,495	604,495	604,495
Funding Sources										
Fund Balance	4000005	1,108,210	1,195,521		1,118,675	1,118,675	1,118,675	1,040,038	1,040,038	1,040,038
Special Revenue	4000030	600,134	525,000		525,000	525,000	525,000	525,000	525,000	525,000
Total Funding		1,708,344	1,720,521		1,643,675	1,643,675	1,643,675	1,565,038	1,565,038	1,565,038
Excess Appropriation/(Funding)		(1,195,521)	(1,118,675)		(1,040,038)	(1,040,038)	(1,040,038)	(960,543)	(960,543)	(960,543)
Grand Total		512,823	601,846		603,637	603,637	603,637	604,495	604,495	604,495

FY17 Budget amount in Regular Salaries exceeds the authorized amount due to salary adjustments during the 2015-2017 Biennium.