

Internal Control and Compliance Assessment

Arkansas Legislative Audit

Arkansas State Board of Acupuncture and Related Techniques

For the Fiscal Year Ended June 30, 2018



INTRODUCTION

This report is issued to inform the Legislative Joint Auditing Committee of compliance with state fiscal laws and regulations as well as deficiencies in internal controls for the Arkansas State Board of Acupuncture and Related Techniques. Assessment procedures disclosed no reportable items of noncompliance.

SCOPE AND METHODOLOGY

We performed an internal control and compliance assessment of the Arkansas State Board of Acupuncture and Related Techniques, a board of Arkansas state government, as of and for the year ended June 30, 2018, and have issued our report dated July 29, 2019. Management of the Agency is responsible for establishing and maintaining internal controls and complying with applicable laws and regulations.

The assessment included cash on deposit, cash receipts, expenditures, liabilities, and data entry to the Arkansas Administrative Statewide Information System (AASIS). The assessment consisted principally of inquiries, observations, analytical procedures, and selected tests of internal control policies and procedures, accounting records, and other relevant documents. We relied on financial data in AASIS recorded by the Agency and audit work conducted in the fiscal year 2018 State Comprehensive Annual Financial Report (CAFR). The methodology used in conducting this assessment was developed uniquely for this engagement and, therefore, was more limited in scope than an audit or attestation engagement performed in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

RESULTS OF ASSESSMENT

Assessment procedures did not disclose instances of noncompliance considered reportable.

ENABLING LEGISLATION AND ORGANIZATIONAL STRUCTURE

The Arkansas State Board of Acupuncture and Related Techniques was created by Act 816 of 1997. The Board evaluates qualifications of applicants and investigates complaints or allegations of practices violating provisions of the Act.

The Board currently contracts for part-time administrative support and office facilities in order to provide a central place for records storage, Board meetings, and service to licensees and the general public. The Board is funded by licensing and administrative fees, as authorized by Ark. Code Ann. § 17-102-304. The Board's organizational chart is presented in **Exhibit I on page 2**.

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Exhibit I

Arkansas State Board of Acupuncture and Related Techniques
Organizational Chart



Source: Arkansas State Board of Acupuncture and Related Techniques

FISCAL ANALYSIS

Revenues, Expenditures, and Transfers

Board revenues and expenditures for fiscal years 2014 through 2018 are provided in **Exhibit II on page 3**. The Board received \$9,961 in license and administrative fees in fiscal year 2018. Licenses are renewed for a two-year period, resulting in variation in revenues between years.

Board expenditures totaled \$9,500 for fiscal year 2018. The Board does not receive any general revenue funding.

Assets and Liabilities

Asset and liability balances at year-end for fiscal years 2014 through 2018 are presented in **Exhibit III on page 3**. Cash deposits at year end were successfully confirmed or reconciled to an account held at a financial institution.

Exhibit II

**Arkansas State Board of Acupuncture and Related Techniques
Revenues, Expenditures, and Transfers
For the Years Ended June 30, 2014 through 2018**

	Fiscal Year				
	2018	2017	2016	2015	2014
Revenues					
Fees	\$ 9,961	\$ 8,253	\$ 8,492	\$ 8,853	\$ 7,682
Expenditures					
Professional service fees	8,802	\$ 8,000	\$ 8,000	\$ 8,000	\$ 6,666
Communication and transportation	562	504	420	643	420
Other expenses	136	148	138	100	204
Total Expenditures	<u>\$ 9,500</u>	<u>\$ 8,652</u>	<u>\$ 8,558</u>	<u>\$ 8,743</u>	<u>\$ 7,290</u>
Net Transfers In (Out)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Source: Arkansas Administrative Statewide Information System Trial Balance (unaudited by Arkansas Legislative Audit)

Exhibit III

**Arkansas State Board of Acupuncture and Related Techniques
Assets and Liabilities
For the Years Ended June 30, 2014 through 2018**

	Fiscal Year				
	2018	2017	2016	2015	2014
Assets					
Cash and cash equivalents	\$ 11,757	\$ 8,104	\$ 10,674	\$ 9,058	\$ 11,001
Prepaid expenses	667	666	0	0	0
Total Assets	<u>\$ 12,424</u>	<u>\$ 8,770</u>	<u>\$ 10,674</u>	<u>\$ 9,058</u>	<u>\$ 11,001</u>
Liabilities					
Accounts payable	\$ 802	\$ 0	\$ 0	\$ 0	\$ 0
Unearned revenue	7,205	4,816	6,319	4,636	6,690
Total Liabilities	<u>\$ 8,007</u>	<u>\$ 4,816</u>	<u>\$ 6,319</u>	<u>\$ 4,636</u>	<u>\$ 6,690</u>

Source: Arkansas Administrative Statewide Information System Trial Balance (unaudited by Arkansas Legislative Audit)

