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Board of Accountancy

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AT A GLANCE

In FY 2015-2016, the Board:

- Issued 18,350 individual licenses
- Issued 2,003 firm permits
- Issued 1,486 sole proprietor firm permits
- Evaluated 1,057 applications for individual licensure
- Investigated 773 new complaints
- Revoked 482 certificates for failure to renew

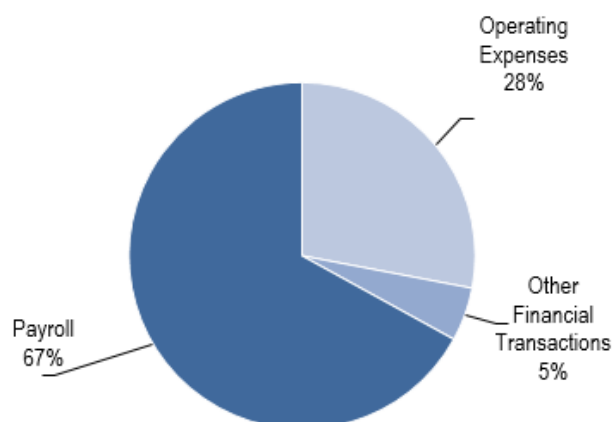
PURPOSE

The mission of the Board of Accountancy is to protect the public through the regulation of the practice of accounting by Certified Public Accountants, Registered Accounting Practitioners and others in Minnesota. We ensure that those entering the practice meet standards of competency by way of education, experience and examination. We establish standards of practice and require that anyone practicing or offering to practice accounting be certified or registered and continue to maintain their professional competence. We enforce the laws, rules and standards governing the practice of accounting in a fair, expeditious and consistent manner. The Board contributes to the statewide outcomes of:

- Strong and stable families and communities;
- Efficient and accountable government services; and
- A thriving economy that encourages business growth and employment opportunities.

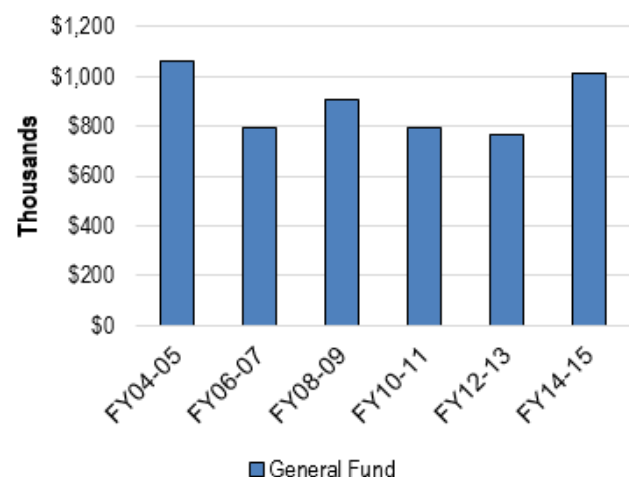
BUDGET

**Spending by Category
FY 15 Actual**



Source: BPAS

Historical Spending



Source: Consolidated Fund Statement

The Board has a total biennial budget of approximately \$1,013,000. We collect application and licensure fees which are deposited in the State's general fund. The budget is funded through general fund appropriations.

STRATEGIES

To accomplish its mission, the Board uses the following strategies:

1. **Regulatory** – Collaboration with the National Council on consistent standards for examination, licensure and enforcement. Evaluating applications to ensure that those entering professional practice have completed the required education, examination and experience.

2. **Enforcement** – Investigating complaints and taking action against licensees and unlicensed individuals who violate the Board's statutes and rules. Removing individuals from practice when necessary. Exchanging enforcement data across jurisdictions. Providing public access to license status, discipline history and the complaint process. Ensuring that the Board's statutes and rules are up-to-date and understandable.
3. **Outreach and Education** – Providing information to Minnesota citizens, legislators, other state agencies, schools, professional societies and the national council about the value of licensure and the requirements of competent practice.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Percentage of licenses renewed online	93%	90%	FY13/14 & FY 15/16
Quality	Average days to licensure (individuals)	19	18	FY13/14 & FY 15/16
Quality	Average days to licensure (firms)	26	26	FY13/14 & FY 15/16
Quality	Average days to resolve a complaint	106	93	FY13/14 & FY 15/16

The Board of Accountancy's legal authority comes from M.S. § 214.01 (<https://www.revisor.mn.gov/statutes/?id=214.01>) and M.S. § 326A (<https://www.revisor.mn.gov/statutes/?id=326A>).

Expenditures By Fund

	Actual FY14	Actual FY15	Actual FY16	Estimate FY17	Forecasted Base		Governor's Recommendation	
					FY18	FY19	FY18	FY19
1000 - General	477	536	568	712	641	641	647	652
Total	477	536	568	712	641	641	647	652
Biennial Change				267		2		19
Biennial % Change				26		0		1
Governor's Change from Base								17
Governor's % Change from Base								1

Expenditures by Program

Program: Accountancy	0	0	0	712	641	641	647	652
Total	0	0	0	712	641	641	647	652

Expenditures by Category

Compensation				400	400	400	406	411
Operating Expenses				307	236	236	236	236
Other Financial Transactions				5	5	5	5	5
Total	0	0	0	712	641	641	647	652
Total Agency Expenditures				712	641	641	647	652
Expenditures Less Internal Billing	0	0	0	712	641	641	647	652

Full-Time Equivalents

				5.4	5.4	5.4	5.4	5.4
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1000 - General

	Actual	Actual	Actual	Estimate	Forecast Base		Governor's Recommendation	
	FY14	FY15	FY16	FY17	FY18	FY19	FY18	FY19
Balance Forward In	0	228	0	71	0	0	0	0
Direct Appropriation	705	662	639	641	641	641	647	652
Net Transfers	0	(75)	0	0	0	0	0	0
Cancellations	0	279	0	0	0	0	0	0
Expenditures	477	536	568	712	641	641	647	652
Balance Forward Out	228	0	71	0	0	0	0	0
<i>Biennial Change in Expenditures</i>				267		2		19
<i>Biennial % Change in Expenditures</i>				26		0		1
<i>Gov's Exp Change from Base</i>								17
<i>Gov's Exp % Change from Base</i>								1
Full-Time Equivalents	5.4	5.3	5.4	5.4	5.4	5.4	5.4	5.4

Board of Accountancy

FY18-19 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2018	FY 2019	FY 2020	FY 2021
General Fund				
Expenditures	6	11	11	11
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	6	11	11	11
FTEs	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$17,000 from the general fund in FY18-19 to maintain the current level of service delivery at the Board of Accountancy.

Rationale/Background:

Each year, employer-paid health care contributions, pension contributions, FICA and Medicare, along with other salary and compensation-related costs increase. Other operating costs, like rent and lease, fuel and utilities, and IT and legal services also grow. This cost growth puts pressure on agency operating budgets that remain flat from year to year.

Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect. From year to year, agencies find ways to become more efficient with existing resources. However, cost growth typically outstrips efficiencies, and without additional resources added to agency budgets, service delivery erodes.

Proposal:

The Governor recommends increasing agency operating budgets to maintain the delivery of current services. For the Board of Accountancy this funding will cover expected and anticipated employee compensation growth, including anticipated compensation increases and employer-paid pension costs.

Results:

This proposal is intended to allow agencies to continue to provide current levels of service and information to the public.

Statutory Change(s):

N.A.