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Board of Accountancy

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boa.state.mn.us

AT A GLANCE

- 9 Board members appointed by the Governor; 2 are non-CPA public members
- 6 employees at full staffing

In FY 2019-20, the Board:

- Renewed over 18,500 certificates and firm permits annually
- Evaluated 1,176 applications for CPA licensure
- Issued 1,121 new and reciprocal individual licenses
- Issued 189 new firm permits
- Investigated 187 new complaints

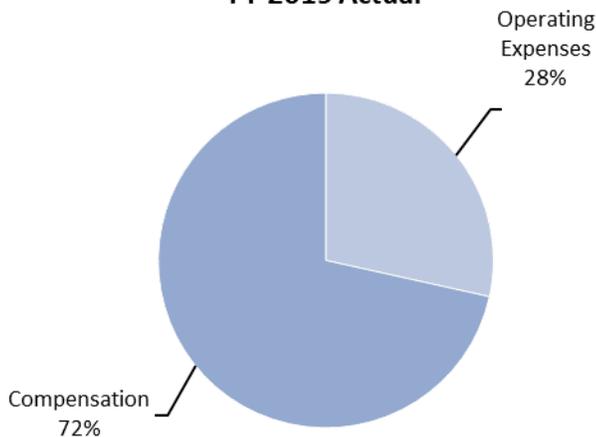
PURPOSE

The mission of the Minnesota 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 by:

- Ensuring that those entering the practice meet standards of competency by way of education, experience, and examination;
- Establishing standards of practice for those certified or registered to practice;
- Requiring that anyone practicing or offering to practice accounting be certified or registered and continue to maintain their professional competence; and
- Enforcing the laws, rules, and standards governing the practice of accounting in Minnesota in a fair, expeditious, and consistent manner.

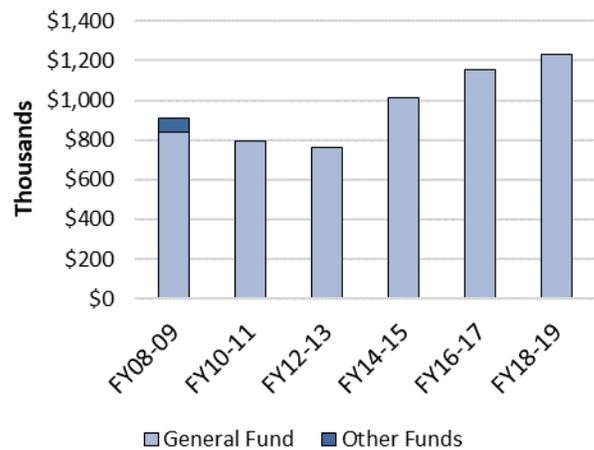
BUDGET

**Spending by Category
FY 2019 Actual**



Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Source: Consolidated Fund Statement

The Board’s budget is funded through General Fund appropriations. The total FY20-21 biennial budget is \$1,369,000. The Board collects application and licensure fees which are deposited in the state’s General Fund.

STRATEGIES

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

1. **Regulatory** – Collaborating with the National Association of State Boards of Accountancy (NASBA) 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 NASBA about the value of licensure and the requirements of competent practice.

The Board of Accountancy contributes to creating a thriving economy that encourages business growth and employment opportunities by:

- Issuing permits to firms and licenses to individuals who practice public accounting; ensuring that those individuals and firms comply with statutes, rules, and accounting and auditing standards; and contributing to a stable and secure financial network;
- Ensuring that statutes and rules reflect the minimum standards to protect the public; and
- Updating statutes and rules to remove unnecessary barriers to licensure and certification.

The Board contributes to providing efficient and accountable government services by:

- Responding quickly and professionally to applicants, licensees, certificate holders, and the public;
- Providing education and information to the public, students, and licensees; and
- Thoroughly and efficiently investigating complaints and taking enforcement action when appropriate.

The Board strives for equity in licensure and certification by:

- Ensuring that standards for Minnesota residents are not easier or harder to achieve than standards for those already licensed or certified in another state transferring to Minnesota;
- Consistently applying the statutes and rules to all applicants, licensees, and firms; and
- Using plain language on application forms and in administrative rules.

RESULTS

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Percentage of applications for initial licensure submitted online <small>*Note: Online initial apps launched in November 2017</small>	29%	88%	FY 18* & FY 19-20
Quality	Average business days to process online renewal applications	1.2	1.2	FY 17-18 & FY 19-20
Quality	Average days to licensure (individuals)	10	12	FY 17-18 & FY 19-20
Quality	Average days to licensure (firms)	16	16	FY 17-18 & FY 19-20
Quality	Average days to resolve a complaint	55	68	FY 17-18 & FY 19-20

The Board of Accountancy's legal authority comes from M.S. §214.01 and M.S. §326A.

<https://www.revisor.mn.gov/statutes/cite/214.01>

<https://www.revisor.mn.gov/statutes/cite/326A>

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base		Governor's Recommendation	
					FY22	FY23	FY22	FY23
<u>Expenditures by Fund</u>								
1000 - General	595	638	584	785	675	675	688	698
Total	595	638	584	785	675	675	688	698
Biennial Change				136		(19)		17
Biennial % Change				11		(1)		1
Governor's Change from Base								36
Governor's % Change from Base								3

Expenditures by Program

Accountancy	595	638	584	785	675	675	688	698
Total	595	638	584	785	675	675	688	698

Expenditures by Category

Compensation	404	457	418	488	488	488	497	506
Operating Expenses	191	182	165	293	183	183	187	188
Other Financial Transaction		0	0	4	4	4	4	4
Total	595	638	584	785	675	675	688	698

Full-Time Equivalent

	5.23	5.56	4.97	6.00	6.00	6.00	6.00	6.00
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(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base FY22 FY23		Governor's Recommendation FY22 FY23	
1000 - General								
Balance Forward In		50		110				
Direct Appropriation	645	650	694	675	675	675	688	698
Cancellations		62						
Balance Forward Out	50		110					
Expenditures	595	638	584	785	675	675	688	698
Biennial Change in Expenditures				136		(19)		17
Biennial % Change in Expenditures				11		(1)		1
Governor's Change from Base								36
Governor's % Change from Base								3
Full-Time Equivalents	5.23	5.56	4.97	6.00	6.00	6.00	6.00	6.00

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
<i>Direct</i>				
Fund: 1000 - General				
FY2021 Appropriations	675	675	675	1,350
Forecast Base	675	675	675	1,350
Change Items				
Operating Adjustment		13	23	36
Total Governor's Recommendations	675	688	698	1,386
<i>Revenue Change Summary</i>				
<i>Non-Dedicated</i>				
Fund: 1000 - General				
Forecast Revenues	1,740	1,740	1,740	3,480
Total Governor's Recommendations	1,740	1,740	1,740	3,480

Board of Accountancy

FY 2022-23 Biennial Budget Change Item

Change Item Title: Operating Adjustment

Fiscal Impact (\$000s)	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
General Fund					
Expenditures	0	13	23	23	23
Revenues	0	0	0	0	0
Other Funds					
Expenditures	0	0	0	0	0
Revenues	0	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	0	13	23	23	23
FTEs	0	0	0	0	0

Recommendation:

The Governor recommends additional funding of \$13,000 in FY 2022 and \$23,000 in each subsequent year from the general fund to maintain the current level of service delivery at the Board of Accountancy.

This represents a 2.7 percent increase over the Board’s FY 2022-2023 biennial general fund base budget.

Rationale/Background:

This operating increase funds a portion of projected cost increases in the upcoming biennium. Each year, the cost of doing business rises—including growing costs for employer-paid health care contributions and other salary and compensation-related costs. Other operating costs, like rent and lease, fuel and utilities, IT and legal services also grow. This cost growth puts pressure on operating budgets that remain flat from year to year without enacted increases. Agencies face challenging decisions to manage these costs within existing budgets, while maintaining the services Minnesotans expect.

Proposal:

The Governor recommends increasing the Board of Accountancy’s operating budget to support the delivery of current services. This funding will cover compensation cost growth and known cost increases in IT services.

Results:

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