



John Keel, CPA
State Auditor

A Review of
**Selected Fiscal Year 2004 Operations of
the Board of Public Accountancy:
A Self-Directed Semi-Independent Agency**

January 3, 2005

Members of the Legislative Audit Committee:

We have reviewed the Board of Public Accountancy's (Board) (1) Combined Balance Sheet/Statement of Net Assets—Government Funds as of August 31, 2004, and (2) related statement of Combined Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities—Governmental Funds for the year then ended, in accordance with attestation engagement standards established by the American Institute of Certified Public Accountants (AICPA) and attestation engagement standards within generally accepted government auditing standards established by the U.S. Government Accountability Office (GAO). All information included in these financial statements is the representation of the management of the Board.

A review consists principally of inquiries of personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to these financial statements in order for them to be in conformity with generally accepted accounting principles.

Compliance with Selected Requirements of the Self-Directed Semi-Independent Agency Project Act

We also determined that the Board is in compliance with selected requirements of the Self-Directed Semi-Independent Agency Project Act.

Objectives, Scope, and Methodology

The objectives of this review were to:

- Provide limited assurance that there are no material modifications that should be made to the Board's financial statements to conform with generally accepted accounting principles.
- Verify the Board's compliance with selected sections of the Self-Directed Semi-Independent Agency Project Act.

Our scope included examining data that the Board will submit to the 79th Legislature to fulfill the requirements of Vernon's Texas Civil Statutes, Article 8930 (8), Self-Directed, Semi-Independent Agency Project Act.

Our methodology consisted primarily of making inquiries of Board personnel and applying analytical procedures to financial data.

We conducted this review in accordance with attestation engagement standards established by the American Institute of Certified Public Accountants and attestation engagement standards within generally accepted government auditing standards established by the U.S. Government Accountability Office. We have chosen not to comply with a reporting standard that specifies the wording that should be used in discussing restrictions on the use of the report. We believe the use of such wording is not in alignment with our role as a legislative audit function.

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The Board generally agrees with our observations. We appreciate the Board's assistance during this review. If you have any questions, please contact Greg Adams, Project Manager, or me at (512) 936-9500.

Sincerely,

John Keel, CPA
State Auditor

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cc: Chair and members of the Board of Public Accountancy
Mr. William Treacy, Executive Director, Board of Public Accountancy



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