

Internal Control and Compliance Assessment

Arkansas Legislative Audit

Arkansas Catfish Promotion Board

For the Two-Year Period Ended June 30, 2023



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 Catfish Promotion Board. Assessment procedures disclosed no reportable items of noncompliance.

SCOPE AND METHODOLOGY

We performed an internal control and compliance assessment of the Arkansas Catfish Promotion Board, a board of Arkansas state government, as of and for the two-year period ended June 30, 2023, and have issued our report dated September 21, 2023. 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, 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 years 2022 and 2023 State Annual Comprehensive Financial Reports (ACFRs) and Single Audit Reports.

RESULTS OF ASSESSMENT

Assessment procedures did not disclose instances of noncompliance considered reportable.

ENABLING LEGISLATION AND ORGANIZATIONAL STRUCTURE

The Arkansas Catfish Promotion Board was created by Act 790 of 1999 to promote the growth and development of the catfish industry in Arkansas through research, promotion, and market development. The Board consists of seven producers appointed by the Governor. Three members are nominated by and represent the Arkansas Farm Bureau, and four members are nominated by and represent the Catfish Farmers of Arkansas. The Board is administered by the Executive Vice-President of Arkansas Farm Bureau Federation or his or her designee. The Board's organizational chart in place at June 30, 2023, is presented in **Exhibit I on page 2**.

Special revenues fund operations of the Board. A one-dollar per ton assessment on all catfish feed purchased by commercial Arkansas catfish producers is used to fund research and promotion efforts. An allocation of these special revenues is used to fund catfish-related research and promotion projects through the University of Arkansas, private research companies, and promotion organizations. Projects are individually approved and monitored by the Board.

ARKANSAS LEGISLATIVE AUDIT

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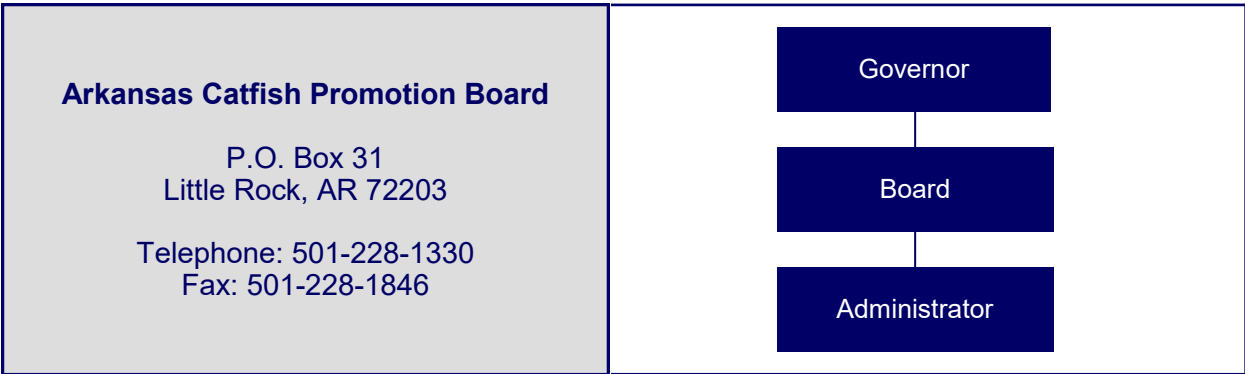
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Exhibit I
Arkansas Catfish Promotion Board
Organizational Chart



Source: Arkansas Catfish Promotion Board

As a result of Act 712 of 2023, effective July 1, 2023, the Board was transferred to the Arkansas Department of Agriculture. Arkansas Farm Bureau continued to assist with the administration of the Board until July 31, 2023.

FISCAL ANALYSIS

Revenues, Expenditures, and Transfers

Agency revenues, expenditures, and transfers for fiscal year 2019 through 2023 are illustrated in **Exhibit II on page 3**. The Agency reported \$23,057 and \$23,113 in net revenues for the fiscal years ended June 30, 2022 and 2023, respectively.

Agency expenditures totaled \$20,870 and \$20,000 for the fiscal years ended June 30, 2022 and 2023, respectively. Agency transfers totaled \$0 for fiscal years ended June 30, 2022 and 2023.

Assets and Liabilities

Agency assets totaled \$98,124 and \$101,237 at June 30, 2022 and 2023, respectively. Assets consisted of cash balances that were reconciled to the State Treasury without exception. Asset balances at year-end for fiscal years 2019 through 2023 are presented in **Exhibit III on page 3**. The Agency reported no liabilities for the fiscal years ended June 30, 2022 and 2023.

Exhibit II

**Arkansas Catfish Promotion Board
Revenues, Expenditures, and Transfers
For the Years Ended June 30, 2019 through 2023**

	Fiscal Year				
	2023	2022	2021	2020	2019
Revenues					
Catfish promotion fees (net)	\$ 23,113	\$ 23,057	\$ 20,894	\$ 21,688	\$ 24,610
Expenditures					
Commodities, materials, and supplies	\$ 0	\$ 870	\$ 0	\$ 837	\$ 0
Assistance, grants, and aids	20,000	20,000	20,150	20,000	20,000
Other expenses	0	0	0	55	0
Total Expenditures	<u>\$ 20,000</u>	<u>\$ 20,870</u>	<u>\$ 20,150</u>	<u>\$ 20,892</u>	<u>\$ 20,000</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 Catfish Promotion Board
Assets and Liabilities
For the Years Ended June 30, 2019 through 2023**

	Fiscal Year				
	2023	2022	2021	2020	2019
Assets					
Cash and cash equivalents	\$ 101,237	\$ 98,124	\$ 95,937	\$ 95,193	\$ 94,397
Liabilities					
Accounts payable	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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

