



Alabama Department of Examiners of Public Accounts

Report on the **Alabama Security Regulatory Board** **State of Alabama** **Montgomery, Alabama**

October 1, 2020 through September 30, 2023

Filed: March 8, 2024

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ALABAMA STATE HOUSE

Rachel Laurie Riddle, Chief Examiner



Rachel Laurie Riddle
Chief Examiner

State of Alabama
Department of
Examiners of Public Accounts

P.O. Box 302251, Montgomery, AL 36130-2251
401 Adams Avenue, Suite 280
Montgomery, Alabama 36104-4338
Telephone (334) 242-9200
FAX (334) 242-1775

Honorable Rachel Laurie Riddle
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Madam:

An examination was conducted on the Alabama Security Regulatory Board, Montgomery, Alabama, for the period of October 1, 2020 through September 30, 2023. Under the authority of the *Code of Alabama 1975*, Section 41-5A-19, I hereby swear to and submit this report to you on the results of the examination.

Respectfully submitted,

Gerald Dedon
Examiner of Public Accounts

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EXAMINER'S SUMMARY

**Alabama Security Regulatory Board
October 1, 2020 through September 30, 2023**

PURPOSE AND SCOPE OF EXAMINATION

This report presents the results of an examination of the Alabama Security Regulatory Board (the "Board") and a review of the Board's compliance with applicable laws and regulations of the State of Alabama. This examination was conducted in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-12. The examination was performed to determine whether the public officers, agents, and employees of the Board properly and lawfully accounted for all money and other public assets, or resources received, disbursed, or in the custody of the Board.

This examination included procedures to determine whether the Board complied with the state laws and regulations that pertain to its financial transactions; personnel; safeguarding of state-owned assets, property, and resources; information dissemination, processing, and retention; and official actions, rulemaking procedures, and meetings. The Board's internal control policies and procedures relating to the areas listed above were also reviewed; however, this examination did not encompass managerial and operational matters, such as whether the Board accomplished its mission or its regulatory, enforcement, investigative, or other oversight activities in an efficient, fair, timely, or legal manner.

The mission and purpose of the Board is described in the accompanying [Agency Overview](#). The Board's financial information for the examination period is shown on [Exhibit 1](#).

RESULTS OF THE EXAMINATION

Nonconsumable personal property in the custody of the Board was compared with the property records maintained by the Property Inventory Control Division of the State Auditor's Office as required by the *Code of Alabama 1975*, Section 36-16-9. Testing revealed no discrepancies.

Finding

The following instance of noncompliance with State laws and regulations and other matters was found during the examination, as shown on the Schedule of State Legal Compliance and Other Findings and it is summarized below.

- ◆ **2023-001**: The Board did not notify the Secretary of State of vacancies occurring as a result of the expiration of three Board members' terms.

EXIT CONFERENCE

An exit conference was held on February 8, 2024. Individuals in attendance were Keith E. Warren, Executive Director; and Harold Stamps, Debra B. Davis and Stephen P. McGavin, Board Members; along with Gerald Dedon and Robin Hutcheson from the Department of Examiners of Public Accounts.



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AGENCY OVERVIEW

**Alabama Security Regulatory Board
October 1, 2020 through September 30, 2023**

The Alabama Security Regulatory Board (the “Board”) operates under the provisions of the *Code of Alabama 1975*, Sections 34-27C-1 through 34-2C-18. By law, the Board licenses and regulates contract security companies and individuals functioning as security guards in Alabama.

The Board operates from a special revenue fund in the State Treasury. The Board’s operating funds are self-generated from licensing fees and fines collected by the Board. Unexpended balances in the Board’s funds at year-end are retained by the Board for future operations.

Additional information on the Alabama Security Regulatory Board can be found on their website at www.asrb.alabama.gov.

*Schedule of State Legal
Compliance and Other Findings*

Schedule of State Legal Compliance and Other Findings
October 1, 2020 through September 30, 2023

Ref. No.	Finding/Noncompliance
2023-001	<p><u>Finding:</u></p> <p>The Board did not notify the Secretary of State of vacancies occurring as a result of the expiration of the terms for three Board members. The terms of two Board members expired May 31, 2023 and September 16, 2023, the vacancy notices for the expiration of these terms were not posted 45 days before the expiration of the terms. A third Board member’s term expired May 21, 2021, the vacancy notice was posted on April 30, 2021, only 22 days before the vacancy occurred. As a result of not notifying the Secretary of State as prescribed by statute, potential candidates for vacancies may not receive sufficient notice and cause the Board to not receive input from all interested candidates to fill vacancies.</p> <p>The <i>Code of Alabama 1975</i>, Section 36-14-17(c)(1) states, “The chair of an existing board shall notify the Secretary of State by electronic means of a vacancy scheduled to occur on the board as a result of the expiration of a term at least 45 days before the vacancy occurs.”</p> <p><u>Recommendation:</u></p> <p>The Board should notify the Secretary of State of vacancies occurring in accordance with the <i>Code of Alabama 1975</i>, Sections 36-14-17(c)(1).</p>

Financial Information

Schedule of Cash Receipts, Disbursements and Balances
For the Period October 1, 2020 through September 30, 2023

	2022-2023	2021-2022	2020-2021	Total
Receipts				
Security License Fee	\$ 678,724.00	\$ 774,031.80	\$ 530,459.26	\$ 1,983,215.06
Professional Occupational Board Penalties		5,000.00	2,000.00	7,000.00
Total Receipts	678,724.00	779,031.80	532,459.26	1,990,215.06
Disbursements				
Personnel Costs	95,022.81	40,263.43	8,195.53	143,481.77
Employee Benefits	16,349.86	8,146.67	1,986.99	26,483.52
Travel, In-State	15,636.11	15,904.91	7,571.51	39,112.53
Rentals and Leases	662.40	1,012.40	1,169.04	2,843.84
Utilities and Communications	9,513.34	10,568.70	6,863.37	26,945.41
Professional Services	639,793.02	622,944.85	479,314.01	1,742,051.88
Supplies, Materials, and Operating Expenses	20,389.26	19,499.00	10,298.50	50,186.76
Other Equipment Purchases	2,407.84	2,459.30		4,867.14
Total Disbursements	799,774.64	720,799.26	515,398.95	2,035,972.85
Excess (Deficiency) of Receipts Over Disbursements	(121,050.64)	58,232.54	17,060.31	(45,757.79)
Cash Balances at Beginning of Year	936,815.40	878,582.86	861,522.55	861,522.55
Cash Balances at End of Year	815,764.76	936,815.40	878,582.86	815,764.76
Reserved for Year-End Obligations	(139,473.83)	(48,101.84)	(45,081.23)	(139,473.83)
Unobligated Cash Balances at End of Year	\$ 676,290.93	\$ 888,713.56	\$ 833,501.63	\$ 676,290.93

Other Information

Board Members and Official
October 1, 2020 through September 30, 2023

Board Members		Term Expires
Hon. Kevin J. Murphy	Chairman	2023
Hon. Debra B. Davis	Member	2024
Hon. Harold Stamps	Member	2025
Hon. Jacob Pugh	Member	2023
Hon. Heath Jackson	Member	2024
Hon. Billy Jones	Member	2021
Hon. Burke V. Swearingen	Member	2021

Official

Mr. Keith Warren
Executive Director
2777 Zelda Road
Montgomery, AL 36106
Phone: (334) 420-7235
Website: <https://asrb.alabama.gov>