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## Report Highlights

# Louisiana Sales and Use Tax Commission for Remote Sellers

Audit Control # 80210118

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### Why We Conducted This Work

We performed certain procedures at the Louisiana Sales and Use Tax Commission for Remote Sellers (Commission) to evaluate certain controls that the Commission uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds for the period July 1, 2020, through June 30, 2021.

### What We Found

- The Commission contracted with a service organization for critical functions without obtaining adequate assurance on the service organization's internal controls, which limits the Commission's ability to monitor the service organization's performance and increases the risk of inappropriately changed or lost data and inaccurate or fraudulent financial transactions.
- The Commission did not complete monthly bank reconciliations for its three bank accounts during fiscal year 2021. For one account, the Commission identified variances between the deposits and the monthly collections; however, these variances were not researched and resolved timely, resulting in undetected errors. The subsequent research of these variances identified a \$1,556,697 liability at year-end.
- The Commission does not have written policies and procedures for its primary financial and business functions, which includes budgeting, contracting, and sales and use tax collections, including reconciling bank deposits for collections to the general ledger.
- We evaluated the controls and transactions related to the Commission's revenue collection and distribution of sales and use taxes from remote sellers, bank reconciliations, operating expenditures, contracts, meetings and minutes, ethics, budget, sexual harassment, and written policies and procedures. Except as noted above, we found these controls provided reasonable assurance of accountability over public funds for the period examined.

View the full report, including management's responses, at [www.lla.la.gov](http://www.lla.la.gov).