

**LOUISIANA BOARD OF EXAMINERS
OF NURSING FACILITY ADMINISTRATORS
STATE OF LOUISIANA**

Agreed-Upon Procedures

For the Year Ending June 30, 2023

**LOUISIANA BOARD OF EXAMINERS
OF NURSING FACILITY ADMINISTRATORS
STATE OF LOUISIANA**

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American Society of Certified Public Accountants
Society of Louisiana CPAs

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Louisiana Board of Examiners of
Nursing Facility Administrators
State of Louisiana
Baton Rouge, Louisiana

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked “not applicable.”

Management of the Louisiana Board of Examiners of Nursing Facility Administrators, is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of the Board and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the Board's compliance with certain laws and regulations during the period of July 1, 2022 thru June 30, 2023.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:
 - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
 - b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law or state purchasing rules and regulations, as applicable to the entity; and (5) documentation required to be maintained for all bids and price quotes.

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- c) *Disbursements*, including processing, reviewing, and approving.
- d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued).
- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g. determining the reasonableness of fuel card purchases).
- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (2) documentation requirements, (3) timeframe in which requests must be submitted and (4) required approvers.
- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees annually attest through signature verification that they have read the entity's ethics policy.
- j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) *Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results:

For procedure b) the written policy did not address how vendors are added to the vendor list and what documents are to be required to be maintained for all bids and price quotes.

For procedure d), the written policy does not address management's actions to determine the completeness of all collections for each type of revenue (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued).

For procedure f), the written policy does not address the legal review process for contracts.

For procedure i), the written policy did not include a requirement that all employees annually attest through signature verification that they have read the entity's ethics policy.

All other procedures were performed without exception.

Annual Fiscal Report (AFR)

2. Obtain the financial statements from the AFR submitted to the Division of Administration's (DOA) Office of Statewide Reporting and Accounting Policy for the current and prior periods. Perform analytical procedures comparing current and prior period amounts, by line item. Report any variances of 10% or greater for line items that are 10% or more of the respective total assets/deferred outflows of resources, liabilities/deferred inflows of resources, net position, revenues, or expenses, and management's explanation of the variance.

Results:

We obtained the 2022 and 2023 financial statements from the AFR submitted and noted the following variances that met the criteria described above:

- *Cash increased by \$101,477 or 43.7%. The increase was due to cash related revenues exceeding cash related expenses in 2023.*
- *Deferred outflows related to other post-employment benefits increased by \$14,906 or 29.6%. The increase was due to changes in the actuarial estimate of the deferred outflows related to other post-employment benefits.*
- *Deferred outflows related to pension increased by \$37,550 or 42.2%. The decrease was due to changes in the actuarial estimate of the deferred outflows related to pensions.*
- *Other post-employment benefit liability decreased by \$70,956 or 20.7%. The decrease was due to changes in the actuarial estimate of the other post-employment benefit liability.*
- *Net pension liability increased by \$220,901 or 51.9%. The decrease was due to changes in the actuarial estimate of the net pension liability.*

Board Meetings/Minutes

3. Obtain and inspect the board minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons.
 - c) Access the entity's online information included in the DOA's boards and commissions database (<https://wwwcfprd.doa.louisiana.gov/boardsandcommissions/home.cfm>) and observe that the entity submitted board meeting minutes for all meetings during the fiscal period.

Results:

Procedures performed without exception.

Bank Reconciliations

4. Obtain a listing of bank accounts for the fiscal period from management and management's representation that the listing is complete. For each of the bank accounts in the listing provided by management, obtain bank statements and reconciliations for all months in the fiscal period and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged).
 - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months at the statement closing date.
 - d) The reconciled balance for the final month of the fiscal period agrees to the general ledger.

Results:

Procedures a) and d) performed without exception. We noted for procedure b) none of the reconciliations had evidence of review or approval. For procedure c), we observed no evidence of management researching four items totaling \$577 that had been outstanding for more than six months at the statement closing date.

Receipts/Collections

5. Obtain and inspect written policies and procedures relating to employees' job duties (if no written policies or procedures, inquire of employees about their job duties), and observe that job duties for collections are properly segregated such that:
 - a) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts or license applications received) to the deposit.
 - b) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - c) The employee(s) responsible for /reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results:

Procedures performed without exception.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results:

Employees who have access to cash are not covered by bond or an insurance policy for theft.

7. Randomly select 5 deposit dates for each of the bank accounts (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 5 deposits for each bank account and:
 - a) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - b) Trace the deposit slip total to the actual deposit per the bank statement.
 - c) Observe that the deposit was made within one business day of collection (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - d) Trace the actual deposit per the bank statement to the general ledger.

Results:

Procedures performed without exception.

8. Obtain and inspect written policies and procedures (if no written policies and procedures, inquire to management) and observe that there is a process performed to determine completeness of all collections, including electronic transfers, for each revenue source (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued) by a person who is not responsible for collections.

Results:

While the Board does maintain a receipt book detailing each deposit, there is no specific process performed to determine completeness of all collections.

9. For licensing boards, obtain a list of initial and renewal licenses granted during the period from management and management's representation that the listing is complete. Randomly select 10 individual applicants from the listing and obtain the supporting documentation (e.g. application, copy of check) from management and:
 - a) Observe that the fee paid for license was the appropriate fee based on the applicable fee schedule established by the board or statute.
 - b) If a penalty was assessed (e.g. late fee), observe that the penalty was assessed and collected in accordance with the board's policies.

Results:

Procedures performed without exception.

10. For licensing boards, obtain and inspect the board's written policies and procedures for granting licenses (if no written policies and procedures, inquire to management) and observe that there is a process performed to ensure licensees meet the licensure requirements established by the board or statute, as applicable. For the 10 individual applicants selected in the previous step that were granted initial or renewal licenses during the period, request the supporting documentation (e.g. licensee file) from management and:

- a) Observe that the board followed the established process to issue or renew the license.
- b) Observe the documentation contains evidence that the licensee meets or continues to meet (if renewal) the licensure requirements established by the board or statute, as applicable.
- c) Observe that the license was granted or approved by the board or the designated board member(s), as applicable.

Results:

Procedures performed without exception.

11. For levee districts, obtain independent confirmation of the tax amounts received from the appropriate parish Sherriff's offices. Observe that the confirmed amount agrees to the amount deposited by levee district.

Results:

Not applicable.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

12. Obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employees' job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results:

For procedure c), the employee responsible for processing payments is not prohibited from adding/modifying vendor files.

All other procedures were performed without exception.

13. Obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements which are addressed in separate sections below) and obtain management's representation that the population is complete. Randomly select 5 disbursements, obtain supporting documentation (e.g. purchase requisition, invoices, receipts, receiving slips) for each transaction and:

Select random 5 expenses from the Expense Detail

- a) Observe that the disbursement matched the related original invoice/billing statement.

- b) Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #11, as applicable.

Results:

Procedure a) performed without exception. For procedure b), disbursement documentation was stamped "Approved for Payment" however there was no signature on the stamps so it could not be determined who approved the invoices.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

- 14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete. Randomly select 2 monthly statements or combined statements for each card (for a debit card, randomly select 2 monthly bank statements), obtain supporting documentation, and:
 - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g. original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results:

For procedure a) all invoices were stamped "Approved for Payment" however there was no signature so it could not be determined who approved the invoices. Additionally, there were no approvals noted on the statements. For procedure b) there were finance charges on two of the six statements reviewed.

- 15. Obtain supporting documentation for all transactions included on the monthly statements or combined statements selected in #14 above. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results:

Of the fifteen transactions reviewed, two did not have itemized receipts identifying precisely what was purchased and ten did not have written documentation of business purpose.

Travel and Travel-Related Expense Reimbursements (excluding card transactions).

- 16. Obtain from management a listing of all travel and travel-related expense reimbursements paid to employees and board members during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana in PPM49 (<https://www.doa.la.gov/pages/osp/travel/TravelPolicy.aspx>) or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results:

Procedure a) is not applicable as all travel related expenses were for mileage. All other procedures performed without exception.

Contracts

- 17. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
 - a) Observe that the contract was bid in accordance with the Louisiana Procurement Code or the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe that the contract was approved by the governing body/board, if required by policy.
 - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.
 - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results:

Procedures b), and d) were performed without exception. Procedure a) was not applicable as the contracts were not required to have solicited quotes, bids, or be advertised. Procedure c) was not applicable as none of the contracts were amended.

Payroll and Personnel

- 18. Obtain a listing of employees employed during the fiscal period, and management's representation that the listing is complete. Randomly select 5 employees (or select all employees if less than 5),

obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results:

Procedure performed without exception.

19. Randomly select 2 pay periods during the fiscal period. For the employees selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results:

Procedures performed without exception.

20. Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees' cumulative leave records, and agree the pay rates to the employees' authorized pay rates in the employees' personnel files.

Results:

Procedure performed without exception.

21. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results:

Procedure performed without exception.

Ethics

22. Using the 5 randomly selected employees from procedure #17 under "Payroll and Personnel" above: obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results:

Procedures performed without exception.

23. Obtain a listing of board members from management. Randomly select 5 board members and observe documentation to demonstrate that required annual ethics training was completed

Results:

Procedure performed without exception.

Budget

24. Obtain a copy of the legally adopted budget, including all amendments, and the board minutes. Observe the minutes contain approval of the budget and amendments.

Results:

Procedure performed without exception.

25. Compare the total revenues and total expenditures of the final budget to actual total revenues and total expenditures on the financial statements or AFR. Report variances of 10% or greater.

Results:

Total expenditures were under budget by 28%.

26. Inquire of management whether the entity has updated its budget information in the DOA's boards and commissions database referred to in #3 above for the current fiscal period (i.e. period covered in these procedures). Access the online database and obtain the budget information for the current fiscal period. Observe that the budget information contained in the database agrees to the budget adopted by the entity's board.

Results:

The budget provided did not agree to the budget information in the DOA's boards and commissions database.

Debt Service

27. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Results:

Not applicable.

28. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results:

Not applicable.

Sexual Harassment

29. Obtain and inspect the entity's written sexual harassment policies and procedures and observe that they address all requirements of R.S. 42:342-344, including agency responsibilities and prohibitions; annual employee training; and annual reporting requirements.

Results:

Procedure performed without exception.

30. Obtain a listing of employees/board members employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/board members, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/board member completed at least one hour of sexual harassment training during the calendar year.

Results:

Procedure performed without exception.

31. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results:

Procedure performed without exception.

32. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.

Results:

The Board did not submit its sexual harassment report.

Other

33. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results:

The Board reported all instances of misappropriation of public funds to the legislative auditor and the district attorney's office of the parish in which the entity is domiciled.

34. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. This notice is available for download or print at www.la.gov/hotline.

Results:

The notice is posted on its premises and website.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Board and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Griffin & Furman, LLC

September 19, 2023

**LOUISIANA BOARD OF EXAMINERS
OF NURSING FACILITY ADMINISTRATORS**

Schedule of Findings

For the Year Ended June 30, 2023

2023-1 – Written Policies and Procedures

Procedure: Obtain and inspect the entity’s written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:

- b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law or state purchasing rules and regulations, as applicable to the entity; and (5) documentation required to be maintained for all bids and price quotes
- d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management’s actions to determine the completeness of all collections for each type of revenue (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued).
- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees annually attest through signature verification that they have read the entity’s ethics policy.

Finding: For procedure b) the written policy did not address how vendors are added to the vendor list and what documents are to be required to be maintained for all bids and price quotes.

For procedure d), the written policy does not address management’s actions to determine the completeness of all collections for each type of revenue (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued).

For procedure f), the written policy does not address the legal review process for contracts.

For procedure i), the written policy did not include a requirement that all employees annually attest through signature verification that they have read the entity’s ethics policy.

Recommendation: We recommend the above policies be revised to address the items described above.

2023-2 – Bank Reconciliations

Procedure: b) Observe that bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).

- c) Observe that management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months at the statement closing date.

**LOUISIANA BOARD OF EXAMINERS
OF NURSING FACILITY ADMINISTRATORS**

Schedule of Findings

For the Year Ended June 30, 2023

***Finding:** For procedure b), none of the reconciliations had evidence of review or approval. For procedure c) we observed no evidence of management researching four items totaling \$577 that had been outstanding for more than six months at the statement closing date.*

***Recommendation:** We recommend the Board document evidence of review or approval and review items that have been outstanding more than six months.*

2023-3 – Receipts/Collections

***Procedure:** Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.*

***Finding:** We noted no evidence of bonding or an insurance policy for employees who have access to cash.*

***Recommendation:** We recommend the Board consider acquiring a bond or insurance policy for theft for all employees who have access to cash.*

2023-4 – Receipts/Collections

***Procedure:** Obtain and inspect written policies and procedures (if no written policies and procedures, inquire to management) and observe that there is a process performed to determine completeness of all collections, including electronic transfers, for each revenue source (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued) by a person who is not responsible for collections.*

***Finding:** While the Board does maintain a receipt book detailing each deposit, there is no specific process performed to determine completeness of all collections.*

***Recommendation:** We recommend the Board consider any of the above suggested methods for determining completeness of all collections by a person who is not responsible for collections.*

2023-5 – Non-Payroll Disbursements

***Procedure:** Observe that the employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.*

***Finding:** The employee responsible for processing payments is not prohibited from adding/modifying vendor files.*

***Recommendation:** We recommend the Board prohibit the employee responsible for processing payments from adding/modifying vendor files.*

**LOUISIANA BOARD OF EXAMINERS
OF NURSING FACILITY ADMINISTRATORS**

Schedule of Findings

For the Year Ended June 30, 2023

2023-6 – Non-Payroll Disbursements

Procedure: Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties.

Finding: Disbursement documentation was stamped “Approved for Payment” however there was no signature on the stamps so it could not be determined who approved the invoices.

Recommendation: We recommend the Board require clear documentation of who is approving disbursements.

2023-7 – Credit Cards/Debit Cards/Fuel Cards/P-Cards

Procedure: Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g. original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Finding: All invoices reviewed were stamped “Approved for Payment” however there was no signature on the stamps so it could not be determined who approved these invoices. Additionally, there were no approvals noted on the statements.

Recommendation: We recommend the Board require clear documentation of who is approving invoices and statements.

2023-8 – Credit Cards/Debit Cards/Fuel Cards/P-Cards

Procedure: Observe that finance charges and late fees were not assessed on the selected statements.

Finding: Two of the six credit card statements reviewed had finance charges assessed.

Recommendation: We recommend that the Board require all credit card statements to be paid in full at the end of each month to avoid finance charges and late fees.

2023-9 – Credit Cards/Debit Cards/Fuel Cards/P-Cards

Procedure: Obtain supporting documentation for all transactions included on the monthly statements or combined statements selected in #14 above. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

**LOUISIANA BOARD OF EXAMINERS
OF NURSING FACILITY ADMINISTRATORS**

Schedule of Findings

For the Year Ended June 30, 2023

***Finding:** Of the fifteen transactions reviewed, ten didn't have written documentation of business/public purpose.*

***Recommendation:** We recommend that the Board require all receipts to have written documentation of business/public purpose.*

2023-10 – Budget

***Procedure:** Inquire of management whether the entity has updated its budget information in the DOA's boards and commissions database referred to in #3 above for the current fiscal period (i.e. period covered in these procedures). Access the online database and obtain the budget information for the current fiscal period. Observe that the budget information contained in the database agrees to the budget adopted by the entity's board.*

***Finding:** The budget provided did not agree to the budget information in the DOA's boards and commissions database.*

***Recommendation:** We recommend the Board ensure the adopted/amended budget is updated on the DOA's boards and commissions database.*

2023-11 – Sexual Harassment

***Procedure:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.*

***Finding:** The Board did not submit its sexual harassment report.*

***Recommendation:** We recommend the Board submit the annual sexual harassment report on or before February 1.*



**STATE OF LOUISIANA
BOARD OF EXAMINERS
OF NURSING FACILITY
ADMINISTRATORS**

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5647 Superior Drive
Baton Rouge, LA 70816-6049

2023-1 –Written Policies and Procedures

For procedure b). The written policy does not address how vendors are added to the vendor list and what documentation is required to be maintained for all bids and price quotes.

The list of Vendor is maintained on the LABENFA accounting software, Sage. In order to add or modify any file, the Executive Director inputs any vendor changes with the -in-person oversight from the Assistant Executive Director. A policy statement will be written clarifying this procedure on adding or subtracting vendors to the list will be written and approved by December 1, 2023. If the Board has a need to purchase any item that requires a bid, it will work through the State Procurement Office in obtaining bids and price quotes.

For procedure d). The written policy does not address management's actions to determine the completeness of all collections for each type of revenue (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued.

Policies and Procedures covering all account receivables have been written and are currently in place. LABENFA accepts personal checks, business checks, money orders, and online payments. Cash payments are not accepted. Procedures are step-by-step actions to be taken to ensure the completeness of all collections for each revenue code. The Executive Director, Board Chair, and/or Chair of the Finance Committee oversee this process. Written policy and procedures were put into place on September 27, 2023.

For procedure f). the written policy does not address the legal review process for contracts.

The Board approves all new contracts and these approvals are noted in the Board minutes. Attorney contracts must be reviewed and approved by the AG's office. The Executive Director oversees the process of adding new contracts and/or renewing existing contracts. The Executive Director will develop a policy statement verifying the current process and will gain Board approval at the November quarterly meeting.

For procedure i). the written policy did not include a requirement that all employees annually attest through signature verification that they have read the entity's ethics policy.

A policy specific to this requirement will be formulated and implemented. It will include a form for Board employees to sign and date. This will be done for each Fiscal Year. The Executive Director will oversee the compliance of this policy. Policy will be written and placed in the Policy and Procedure manual by no later than November 1, 2023.

2023-2 Bank Reconciliations

For Procedure b), none of the reconciliations had evidence of review or approval. For procedure c) no evidence of management researching four items totaling \$557 that had been outstanding for more than six months at the statement closing date.

The Executive Director will develop a written policy regarding reconciliation of payments recorded on the LABENFA accounting software and the bank statements for any monies that are outstanding. The Executive Director, the Assistant Executive Director, and the contracted accounting firm will oversee this process. The policy statement will be completed by November 1, 2023.

2023-3-Receipts/Collections

No evidence of bonding or an insurance policy for employees who have access to cash.

It is Board policy that employees do not handle cash in any situations. Checks that are received for any purpose are applied to the invoice and electronically deposited immediately. The Board will review the requirement of having a bond or insurance policy and will develop a policy to satisfy this citation. The Executive Director will oversee this process.

2023-4 Receipts/Collections

While the Board does maintain a receipt book detailing each deposit, there is no specific process performed to determine the completeness of all collections..

Policies and Procedures covering all account receivables have been written and are currently in place. LABENFA accepts personal checks, business checks, money orders, and online payments. Cash payments are not accepted. Procedures are step-by-step actions to be taken to ensure the completeness of all collections for each revenue code. The Executive Director, Board Chair, and/or Chair of the Finance Committee oversee this process. Written policy and procedures were put into place on September 27, 2023.

2023-5-Non-Payroll Disbursements

The employee responsible for processing payments is not prohibited from adding/modifying vendor files.

Vendor files are maintained on the LABENFA accounting software, Sage. In order to add or modify any file, the Executive Director inputs any vendor changes with the -in-person oversight from the Assistant Executive Director. A policy statement will be written clarifying this procedure and will be approved by December 1, 2023.

2023-6-Non-Payroll Disbursements

Disbursement documentation was stamped "Approved for Payment" however there was no signature on the stamps so it could not be determined who approved the invoices.

It is Board policy that the Executive Director, the Board Chairperson, or the Finance Committee Chairperson approve all invoices. The Executive Director oversees this process. Policy is currently in place. For checks under \$1000 the Executive Director signs off on the invoice at the time payment data is input into the software for check processing. Invoices over \$1000 are signed off by the Board Chair. All checks require two signature; those over \$1000 must be signed by the Chairperson. Policy is in place.

2023-7-Credit Cards/Debit Cards/Fuel Cards/ P-Cards

All invoices reviewed were stamped "Approved for Payment" however there was no signature on the stamps so it could not be determined who approved these invoices. Additionally, there were no approvals noted on the statement.

It is the Board policy that all invoices are stamped. The red stamp The stamp has a heading, *Approved for Payment*. Immediately under the heading are lines reading *Account #* and *Signature*. The Executive Director or the Assistant Executive Director inputs the account number and the Amount. The Executive Director or Chair, depending on the amount of the invoice, confirms the amount by comparing it to the actual invoice and then initials his/her approval. Policy is currently in place. The Executive Director is responsible for compliance.

2023-8-Credit Cards/Debit Cards/Fuel Cards/P-Cards

Two of the six credit card statements reviewed had finance charges assessed.

It is the Board policy to pay all invoices timely to prevent any type of finance charge being assessed. This particular case resulted in the fact that the Board was challenging a charge. Credit card company refused to remove the initial charge as well as the finance charge. Policies are in place and overseen by the Executive Director and the Assistant Executive Director to ensure the timely payment of invoices.

2023-9-Credit Cards/Debit Cards/Fuel Cards/P-Cards

***Finding:** Of the fifteen transactions reviewed, ten didn't have written documentation of business/public purpose.*

It is the Board policy that all credit card transactions and subsequent payments must be supported by receipts, which will clarify the purposes of the purchases. The protocol is the dual responsibility of the Executive Director and the Assistant Executive Director. The Assistant Executive Director places the GL code by each itemized charge on the credit card bill and attaches the supporting receipts. The reason for the purchase will be written on the receipt. The Executive Director reviews the charges and the approves payment. This protocol is in place currently.

2023-10-Budget

The budget did not agree to the budget information in the DOA's boards and commissions database.

The Executive Director works with members of the Finance Committee to develop the Fiscal Year budgets. These budgets are approved by the Board at its second quarter Board meeting, usually conducted in November of each year. The Executive Director posts the upcoming FY budget on the Louisiana Board and Commission website by February of the following year.

2023-11 Sexual Harassment

The Board did not submit its sexual harassment report.

All Board members and employees will complete the sexual harassment program by December 31 of each year. The Executive Director will ensure the annual sexual harassment report will be submitted to the appropriate state agency no later than February 1 of each year.

Submitted on September 28, 2023, by


Joseph E. Townsend, NHA, MHA
Executive Director
Louisiana Board of Examiners of
Nursing Facility Administrators

**LOUISIANA BOARD OF EXAMINERS
OF NURSING FACILITY ADMINISTRATORS
STATE OF LOUISIANA**

Status of Prior Year Findings

For the Year Ended June 30, 2023

2022-1 – Written Policies and Procedures

Procedure: Obtain and inspect the entity’s written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:

- d) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g. determining the reasonableness of fuel card purchases).
- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees annually attest through signature verification that they have read the entity’s ethics policy.

Finding: For procedure d), the written policy does not address management’s actions to determine the completeness of all collections for each type of revenue (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued).

For procedure f), the written policy does not address the legal review process for contracts.

For procedure i), the written policy did not include a requirement that all employees annually attest through signature verification that they have read the entity’s ethics policy.

Recommendation: We recommend the above policies be revised to address the items described above.

Status: Unresolved, see finding 2023-1.

2022-2 – Board Meetings/Minutes

Procedure: Access the entity’s online information included in the DOA’s boards and commissions database (<https://wwwcfprd.doa.louisiana.gov/boardsandcommissions/home.cfm>) and observe that the entity submitted board meeting minutes for all meetings during the fiscal period.

Finding: We noted three out of the four board minutes are submitted to the database.

Recommendation: We recommend the Board ensure all board minutes are submitted to the DOA’s boards and commissions database.

**LOUISIANA BOARD OF EXAMINERS
OF NURSING FACILITY ADMINISTRATORS
STATE OF LOUISIANA**

Status of Prior Year Findings

For the Year Ended June 30, 2023

Status: Resolved.

2022-3 – Bank Reconciliations

Procedure: Observe that bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).

Observe that management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months at the statement closing date.

Finding: *We noted no evidence of review or approval. We noted there are four outstanding items more than six months, totaling to the amount of \$450.*

Recommendation: *We recommend the Board document evidence of review or approval and review items that have been outstanding more than six months.*

Status: Unresolved, see finding 2023-2.

2022-4 – Receipts/Collections

Procedure: Obtain and inspect written policies and procedures relating to employees' job duties (if no written policies or procedures, inquire of employees about their job duties), and observe that job duties for collections are properly segregated such that:

- a) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts or license applications received) to the deposit.

Finding: *The employee responsible for collecting cash is also responsible for preparing/making bank deposits.*

Recommendation: *We recommend the Board consider segregating these duties.*

Status: Resolved.

2022-5 – Receipts/Collections

Procedure: Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Finding: *We noted no evidence of bonding or insurance policy for employees who have access to cash.*

Recommendation: *We recommend the Board consider acquiring a bond or insurance policy for theft for all employees who have access.*

**LOUISIANA BOARD OF EXAMINERS
OF NURSING FACILITY ADMINISTRATORS
STATE OF LOUISIANA**

Status of Prior Year Findings

For the Year Ended June 30, 2023

Status: Unresolved, see finding 2023-3.

2022-6 – Non-Payroll Disbursements

Procedure: Observe that the employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Finding: *The employee responsible for processing payments is not prohibited from adding/modifying vendor files.*

Recommendation: *We recommend the Board prohibit the employee responsible for processing payments from adding/modifying vendor files.*

Status: Unresolved, see finding 2023-5.

2022-7 – Non-Payroll Disbursements

Procedure: Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested.

Finding: *Disbursement documentation was stamped “Approved for Payment” however there was no signature on these stamps so it cannot be determined who approved the invoices.*

Recommendation: *We recommend the Board require clear documentation of who is approving disbursements.*

Status: Unresolved, see finding 2023-6.

2022-8 – Credit Cards/Debit Cards/Fuel Cards/P-Cards

Procedure: Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g. original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

Finding: *All invoices reviewed were stamped “Approved for Payment” however there was no signature on these stamps so it cannot be determined who approved these items.*

Recommendation: *We recommend the Board require clear documentation of who is approving disbursements.*

Status: Unresolved, see finding 2023-7.

**LOUISIANA BOARD OF EXAMINERS
OF NURSING FACILITY ADMINISTRATORS
STATE OF LOUISIANA**

Status of Prior Year Findings

For the Year Ended June 30, 2023

2022-9 – Sexual Harassment

Procedure: Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.

Finding: *The Board did not submit its sexual harassment report.*

Recommendation: *We recommend the Board submit the annual sexual harassment report before or on February 1.*

Status: *Unresolved, see finding 2023-11.*