



# Report Highlights

## Department of Revenue

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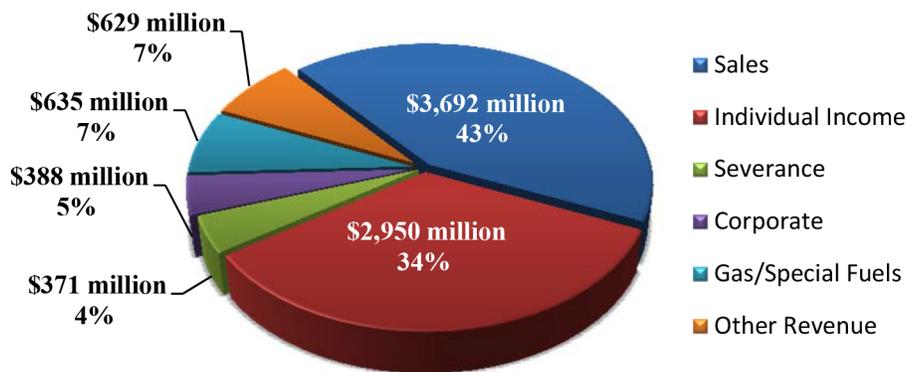
### Why We Conducted This Audit

We performed certain procedures at the Louisiana Department of Revenue (LDR) as a part of the Comprehensive Annual Financial Report of the State of Louisiana and to evaluate its accountability over public funds for the period July 1, 2016, through June 30, 2017.

### What We Found

- LDR has continued to overpay the Algiers Economic Development District No. 1 (District). The overpayment to the District, since the beginning of their Cooperative Endeavor Agreement executed in 2004, is more than \$7.9 million, including \$497,060 in fiscal year 2017.
- LDR did not effectively implement or adequately monitor controls over severance tax collections and refunds. LDR did not ensure required forms were on file supporting severance tax reductions and exemptions prior to accepting reduced payments or issuing related refunds. In addition, the threshold for review of severance tax refunds is \$250,000 per LDR PPM 32.01. As a result, only \$4 million in severance refunds out of the \$30 million issued in fiscal year 2017 were required by policy to be reviewed for accuracy and compliance prior to issuance.
- The prior-year findings related to Inadequate Controls over LaCarte Card Purchases, Untimely Deposit of Tax Payments, and Inadequate Controls over Human Capital Management and Advantage Financial System Access have been resolved.

### Fiscal Year 2017 Collections (in millions)



Source: Fiscal Year 2017 Department of Revenue Annual Fiscal Report

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