
**Louisiana
Behavior Analyst Board**

Agreed-Upon Procedures

June 30, 2019

Louisiana Behavior Analyst Board

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Independent Accountant's Report On Applying Agreed-Upon Procedures

To Management of
Louisiana Behavior Analyst Board
Baton Rouge, Louisiana

We have performed the procedures enumerated below, which were agreed to by management of the Louisiana Behavior Analyst Board (the "Board"), a component unit of the State of Louisiana, 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 fiscal year ended June 30, 2019.

Management of the Louisiana Behavior Analyst Board is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. This agreed-upon procedures engagement was conducted 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 those parties specified in the 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.

The procedures performed and results are enumerated below:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget
 - b) Purchasing, including (1) how purchases are initiated; (2) the preparation and approval process of purchase requisitions and purchase orders; (3) controls to ensure compliance with the public bid law or state purchasing rules and regulations; and (4) documentation required to be maintained for all bids and price quotes
 - c) Disbursements, including processing, reviewing, and approving
 - d) Receipts, including receiving, recording, and preparing deposits
 - 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) approval process, and (4) monitoring process

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- 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, and (5) monitoring card usage
 - h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (2) documentation requirements, (3) time-frame in which requests must be submitted and (4) required approvers
 - i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, and (3) system to monitor possible ethics violations
 - j) Debt Service, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements

Results

The written policies and procedures do not address contracting or ethics. However, the board members and management completed the necessary ethics training and the board reviews and approves all contracts.

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

A 35% increase in cash was due to an increase in revenues; 45% decrease in deferred outflows of resources, 40% decrease in deferred inflows of resources, 61% increase in OPEB liability, and 12% increase in pension liability relates to the changes in the pension and post-employment benefit plans as reported by the actuarial reports; 143% increase in current liabilities due to increases in payroll related accruals due to an increase in salaries; 27% increase in unrestricted net position is caused primarily from the growth of the profession which resulted in increased revenues; 19% increase in operating revenues caused by an increase in licenses, permits, and fees issued in comparison to the prior year; and a 34% increase in operating due to increasing revenue which resulted in additional costs for salaries and supplies. The change in net position increased by 27% and was caused primarily from the growth in the profession which resulted in greater number of licensees.

Board (or Finance Committee, if applicable)

- 3. Obtain and review the board/committee minutes for the fiscal period, and:
 - a) Report whether the managing 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) Report whether the minutes referenced or included monthly budget-to-actual comparisons.

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- If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- c) Access the entity's online information included in the DOA's boards and commissions database and report whether the entity submitted board meeting notices and minutes for all meetings during the fiscal period.

Results

No exceptions noted. The Board met monthly, discussed the budget, and submitted the board meeting notices and minutes to the DOA's boards and commissions database.

Bank Reconciliations

4. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.
5. 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 report whether:
- a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation;
 - c) The reconciled balance for the final month of the fiscal period agrees to the general ledger; and
 - d) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results

We have obtained a listing of bank accounts and obtained management's representations that the listing is complete. We examined the bank reconciliations and bank statements by month for the period of July 2018 – June 2019. The Finance Chair Board member reviewed each bank reconciliation and signed to evidence the review. The reconciled balance at June 30, 2019 agrees to the general ledger. There are no reconciling items that have been outstanding for more than six months within the June 30, 2019 bank reconciliation.

Collections

6. Obtain existing documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account. Report if there are compensating controls performed by a board member or an outside party.

Results

The Board has only one employee, the executive director. Therefore, there is a lapse of job responsibilities associated with the collection of fees, depositing the fees, and recording the related transactions. To mitigate the risks associated with the lack of segregation of duties, the Board does not accept cash, a contracted CPA completes the bank reconciliations, and the Board reviews bank reconciliations and other financial reports.

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7. Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - a) Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day.
 - b) Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results

Due to the Board having only one full-time employee (the executive director), timing does not allow the employee to make daily deposits. The executive director maintains collections within a lock box until deposited. Collection procedures complied with the Board's documented policies and procedures.

The executive director makes a copy of all payments received by the Board which is attached to the deposit listing and deposit slip. Supporting documentation appears to be adequate based upon the size of the entity.

8. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) 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

The Board has a process defined to determine the completeness of collections. Due to the Board having only one full-time employee, the executive director is responsible for reconciling the revenue log, collections, and making deposits.

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) Report whether 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), report whether the penalty was assessed and collected in accordance with the board's policies.

Results

No exceptions noted. The application and late fees paid agree with the fee schedule established by the Board.

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10. For levee districts, obtain independent confirmation of the tax amounts received from the appropriate parish Sheriff's offices. Report any differences between the confirmed amount and amount deposited by levee district.

Results

Not applicable.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.
12. Using the listing prepared by management, randomly select five cards that were used during the fiscal period. Obtain the monthly statements, or combined statements with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:
- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.
 - b) Report whether finance charges and/or late fees were assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, obtain supporting documentation for all transactions for each of the five cards selected (i.e. each of the five cards should have one month of transactions subject to testing).
- a) For each transaction, report whether the transaction is supported by:
 - An original itemized receipt (i.e., identifies precisely what was purchased)
 - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
 - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
 - b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
 - c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results

Not applicable. The Board does not have any credit cards.

Travel and Expense Reimbursement

14. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.
15. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the state's travel rules and regulations (i.e. PPM 49) and report any rates that exceed the rates established by PPM49.
Note: Report rates that exceed those established in PPM49 even if the entity has the legal authorization to establish its own rates.
16. Using the listing or general ledger from #14 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
 - a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the PPM 49 rates (#15 above) and report each reimbursement that exceeded those rates.
 - b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
 - c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
 - d) If the travel and expense reimbursement request was submitted more than 30 days following the date of travel, report the number of days between the travel date and reimbursement request date.
 - e) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results

Not applicable. The Board did not have any travel or related expense reimbursements.

Contracts

17. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

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18. Using the listing above, randomly select the five contract “vendors” that were paid during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner or the Louisiana Legislative Auditor). Obtain the related contracts and paid invoices and:
- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
 - b) Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - c) If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - d) If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
 - e) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
 - f) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
 - g) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law.

Results

The Board obtained a formal contract to support the services arrangement and the amount paid. Due to the number and complexity of complaints, the Board amended the contract of its investigator. As of 2/28/2019, 80% of the maximum contract amount had been used. The Board had pending complaints that required investigations and testimony by the investigator which required an increase in the maximum contract amount from \$10,000 to \$15,000. Contracts provided were traced to the board minutes, each with documentation of board approval.

Payroll and Personnel

19. Obtain a listing of employees with their related salaries, and obtain management’s representation that the listing is complete. Randomly select five employees, obtain their personnel files, and:
- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
 - b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Results

The selected employees’ payments were in accordance with the terms and conditions of their respective pay rate structure and all hourly pay rates were properly approved in writing and in accordance with the Board’s written policy.

20. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee, and:

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- a) Report whether all employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees.
 - c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Results

No exceptions noted.

21. Obtain from management a list of those employees that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Results

Not applicable. The Board had no terminations.

Disbursements – Other General

22. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter all for all other entity disbursements that are not addressed in the sections above (credit card/debit card/travel card/P-card, travel and expense reimbursement, contracts, and payroll and personnel). Obtain management's representation that the listing or general ledger population is complete.

Results

No exceptions noted.

23. Using the listing or general ledger from #22 above, randomly select five disbursements. Obtain supporting documentation (e.g. purchase requisition, invoices, receipts, receiving slips) for each disbursement. For each of the five disbursements selected:
 - a) Report whether each expense is supported by:
 - An original itemized receipt or invoice that identifies precisely what was purchased.
 - Documentation of the business/public purpose
 - Other documentation as may be required by written policy
 - b) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. purchases for items for personal use without a business/public purpose). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
 - c) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person who initiated the purchase.

Results

The selected expenses were supported by an original itemized receipt/invoice. The selected expenses and related documentation were reviewed and approved by a board member. No exceptions noted.

Ethics

24. Using the five selected employees from procedure #19 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required annual ethics training was completed.
25. Obtain a listing of board members from management. Randomly select five of the board members and report whether the entity maintained documentation to demonstrate that required annual ethics training was completed.
26. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Results

Management and the board members completed the required annual ethics training. Management stated there were no ethics violations reported. No exceptions noted.

Budget

27. Obtain a copy of the legally adopted budget and all amendments.
28. Trace the budget adoption and amendments to the minute book.
29. 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.
30. 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. Report any differences between the budget information contained in the database and the budget adopted by the entity’s board.

Results

The June 30, 2019 budget was approved and adopted by the board members and is properly documented within the minutes of meetings. Comparison of total revenues and expenditures of the final budget and actual total of revenues and expenditures for the June 30, 2019 fiscal year revealed no variances greater than 10%.

Debt Service

31. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.
32. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Results

Not applicable. The Board did not issue or enter into any new debt agreements during the year ended June 30, 2019.

Other

33. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
34. Inquire of management whether the entity contracted for audit or attest services other than these agreed-upon procedures during the current period. Report the type of audit or attest service (i.e. audit, review, agreed-upon procedures, etc.) contracted by management and the purpose or requirement for the additional audit or attest service.
35. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Results

Management stated the Board had no misappropriations of public funds or assets. The Board did not contract for audit or attest services other than these agreed-upon procedures during this period.

Corrective Action

36. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

Results

Management's response and corrective action plan follows this report.

Exceptions

The exceptions found as a result of applying the agreed-upon procedures are found in the Schedule of Findings at page 12.

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 Louisiana Behavior Analyst 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.

A handwritten signature in black ink that reads "Penell & Martiney, LLC". The signature is written in a cursive, flowing style.

Covington, Louisiana
September 27, 2019

Louisiana Behavior Analyst Board
Schedule of Findings
For the Year Ended June 30, 2019

Results

The following is a summary of exceptions noted within the agreed-upon procedures report for the period of July 1, 2018 – June 30, 2019:

Collections

The Board has only one full-time employee, the executive director. Therefore, there is a lapse of job responsibilities associated with the collection of fees, depositing the fees, and recording the related transactions. To mitigate the risks associated with the lack of segregation of duties, the Board does not accept cash, a contracted CPA completes the bank reconciliations, and the Board reviews bank reconciliations and other financial reports. Due to the Board having only one full-time employee, timing does not allow the employee to make daily deposits.

Louisiana Behavior Analyst Board

Summary Schedule of Prior Year Findings

For the Year Ended June 30, 2019

The following is a summary of exceptions noted within the agreed-upon procedures report for the period of July 1, 2017 – June 30, 2018:

Written Policies and Procedures

The written policies and procedures do not address contracting or ethics. However, the board members and management completed the necessary ethics training and the board reviews and approves all contracts.

Update: This exception was addressed and corrected by management.

Collections

The Board has only one employee, the executive director. Therefore, there is a lapse of job responsibilities associated with the collection of fees, depositing the fees, and recording the related transactions. To mitigate the risks associated with the lack of segregation of duties, the Board does not accept cash, a contracted CPA completes the bank reconciliations, and the Board reviews bank reconciliations and other financial reports. Due to the Board having only one employee, timing does not allow the employee to make daily deposits.

Update: Due to a limited budget, the Board has determined the hiring of additional staff to address this exception to not be practical.

Payroll

For the Board's single employee, eight hours of leave were taken during the pay period ending September 14, 2017 but not deducted from the annual leave balance. For the pay period ending October 26, 2017, three and a half hours of leave were taken but not deducted from the annual leave balance. For the pay period ending November 23, 2017, eleven hours of leave were taken but not deducted from the annual leave balance.

Update: This exception was addressed and corrected by management.

Budget

The Division of Administration's Board and Commissions online database reported budgeted examination revenues of \$4,950 and the budget adopted by the Board reported \$8,325.

Update: This exception was addressed and corrected by management.



LOUISIANA BEHAVIOR ANALYST BOARD

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September 27, 2019

Pinell & Martinez, LLC
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The Louisiana Behavior Analyst Board (LBAB) concurs with the summary of exceptions noted within the agreed-upon procedures for the period of July 1, 2018 – June 30, 2019. An outline of corrective measures, where possible due to the size of the Board's staff, is listed below.

Collections

The Board does not make daily deposits. The board had a staff consisting of an Executive Director and a part-time student worker during the 2018/19 Fiscal Year. Timing did not allow the one full-time employee to make daily deposits. Security measures are in place. Board does not accept cash. Board requires money order, cashier's check, or certified check for most transactions. Fees are securely kept in a fire-proof lock box until the deposit is made. Deposits are currently made a minimum of every two weeks. A log and copy of every transaction is maintained. The board's CPA completes bank reconciliations and the board reviews monthly. The board will address this exception when additional staff is hired.

We hope this adequately addresses the summary of exceptions.

Sincerely,

A handwritten signature in black ink that reads "Rhonda Boe".

Rhonda Boe
Executive Director