
**Louisiana
Behavior Analyst Board**

Agreed-Upon Procedures

June 30, 2021

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, 2021.

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 and associated exceptions are as follows:

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; and (5) documentation required to be maintained for all bids and price quotes.
 - 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).

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- 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, (3) documentation requirements, (4) time-frame in which requests must be submitted and (5) 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, (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

We obtained the Board's policies and procedures from management. The Board's written policies and procedures address all of the above categories. No exceptions noted.

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

Variances of 10% or greater were noted in the following AFR line items: The Board incurred a 33% increase in cost of services expense and a 54% decrease in other non-operating revenues. Management's explanation has been received and reported within management's response and corrective action plan.

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, bylaws, or other equivalent document.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons.

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

Results

We obtained the Board's minutes of meetings for the fiscal year as well as the Board's enabling legislation. The board members met monthly and submitted the Board's meeting notices and minutes to the DOA's boards and commissions database. However, the Board's meeting minutes do not reference or include budget-to-actual comparisons.

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); and
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months from the statement closing date; and
 - d) The reconciled balance for the final month of the fiscal period agrees to the general ledger.

Results

We obtained a listing of bank accounts and obtained management's representations that the listing is complete. We examined bank statements and reconciliations by month for the period of July 2020 – June 2021. The Finance Chair board member reviewed each bank reconciliation and signed to evidence the review. The reconciled balances at June 30, 2021 agree to the general ledger. There were no outstanding transactions over 6 months old. The November 2020 bank reconciliation for the Iberia Bank checking account was prepared more than 2 months of 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

The Board has an executive director and two part-time employees. 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.

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

Results

Not applicable – the Board does not accept cash collections.

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 receipt at the collection location (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

Due to the Board having only one full-time employee (the executive director), timing does not allow the employee to make daily deposits.

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

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:

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- 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

The application fees selected for testing are in agreement with the fee schedule established by the Board. No late fees or penalties noted within the sample selected. No exceptions noted.

10. For levee districts, obtain independent confirmation of the tax amounts received from the appropriate parish Sheriff'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)

11. Obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee 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

No exceptions noted.

12. 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:
 - 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

The selected expenses were supported by an original itemized receipt/invoice. However, the selected expenses and related documentation did not include evidence of approval. Consequently, we were unable to determine whether or not at least two employees were involved in the purchase / payment process.

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

13. 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, by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.
14. Obtain supporting documentation for all transactions included on the monthly statements or combined statements selected in #13 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

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

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

15. 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

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

Contracts

16. 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

Contracts selected for testing were approved by the governing board. There were no contract amendments for the contracts selected for testing. The selected payments were supported by original itemized invoice and agreed to the terms of the related contract. No exceptions noted.

Payroll and Personnel

17. 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

The selected employees' payments were in accordance with the terms and conditions of their respective pay rate structure. No exceptions noted.

18. Randomly select 2 pay periods during the fiscal period. For the 5 employees/officials selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees/officials 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

No exceptions noted.

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19. Obtain a listing of those employees/officials 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

Not applicable. The Board had no terminations.

20. 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

No exceptions noted.

Ethics

21. 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.
22. 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

Management and the board members completed the required annual ethics training. No exceptions noted.

Budget

23. Obtain a copy of the legally adopted budget, including all amendments, and the Board's minutes. Observe the minutes contain approval of the budget and amendments.
24. 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.
25. 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 June 30, 2021 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, 2021 fiscal year revealed no variances greater than 10%.

Debt Service

26. 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.
27. 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. The Board did not issue or enter into any new debt agreements during the year ended June 30, 2021.

Sexual Harassment

28. 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.
29. 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.
30. 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).
31. 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

We obtained the Board's sexual harassment policy from management. Employees and board members completed one hour of sexual harassment training during the year. We observed that the sexual harassment policy is posted on the Board's website. No exceptions noted.

Other

32. 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.
33. 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.la.gov/hotline.

Results

Management stated the Board had no misappropriations of public funds or assets. The notice required by R.S. 24:523.1 is posted on the Board's premises. No exceptions noted.

Corrective Action

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

Results

Management's responses and corrective action plan follow this report at page 13.

Exceptions

The exceptions found as a result of applying the agreed-upon procedures are found in the Schedule of Exceptions at page 11.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on assessing certain controls and evaluating management's assertions about the Commission's compliance with certain laws and regulations. Accordingly, we do not express such an opinion or conclusion. 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.



Covington, Louisiana
September 30, 2021

Louisiana Behavior Analyst Board

Schedule of Exceptions

For the Year Ended June 30, 2021

The following is a summary of exceptions noted within the agreed-upon procedures report for the period of July 1, 2020 – June 30, 2021:

Board Meeting/Minutes

The Board's minutes of meetings do not reference or include monthly budget-to-actual comparisons.

Annual Fiscal Report

Variances of 10% or greater were noted in the following AFR line items: The Board incurred a 33% increase in cost of services expense and a 54% decrease in other non-operating revenues. Management's explanation is noted within management's response and corrective action plan.

Bank Reconciliations

The November 2020 bank reconciliation for the Iberia Bank checking account was not prepared within 2 months of the statement closing date.

Receipts/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.

Non-Payroll Disbursements

The five disbursements selected for testing did not include evidence of approval. Consequently, we were unable to determine whether or not at least two employees were involved in the purchase / payment process.

Louisiana Behavior Analyst Board

Summary Schedule of Prior Year Exceptions

The following is a summary of exceptions noted within the agreed-upon procedures report for the period of July 1, 2019 – June 30, 2020:

Written Policies and Procedures

The written policies and procedures do not address disaster recovery/business continuity.

Update: This exception was addressed and corrected by management.

Annual Fiscal Report

Variances of 10% or greater were noted in the following AFR line items: 22% increase in cash and cash equivalents; 22% increase in the net pension liability; 22% increase in unrestricted net position; and a 15% increase in cost of sales and services.

Update: Management adequately addressed the prior year variances within the prior year report.

Board Meetings/Minutes

The Board's minutes of meetings do not reference or include monthly budget-to-actual comparisons.

Update: This exception has not been addressed and is noted again in the current year.

Receipts/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. This exception is noted in the current year.

Sexual Harassment

The Board did not post the sexual harassment policy and complaint procedure on its website or premises.

Update: This exception was addressed and corrected by management.



LOUISIANA BEHAVIOR ANALYST BOARD

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September 30, 2021

Pinell & Martinez, LLC
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Covington, Louisiana 70433

The Louisiana Behavior Analyst Board (LBAB) concurs with the summary of exceptions noted within the agreed-upon procedures for the period of July 1, 2020 – June 30, 2021. An outline of corrective measures, where possible due to the size of the Board's staff, is listed below.

Board Meeting/Minutes

The Board's minutes of meetings do not reference or include monthly budget-to-actual comparisons.

Response and Corrective Action: going forward, the Board's meetings will begin to include monthly budget-to-actual comparisons and document the comparison and related discussions within the minutes of meetings.

Annual Fiscal Report

Variances of 10% or greater were noted in the following AFR line items: The Board incurred a 33% increase in cost of services expense and a 54% decrease in other non-operating revenues.

Response and Corrective Action: the Board incurred a 33% increase in cost of services expense due to an increase in complaints from the 2020 to 2021 fiscal year. One particular compliant resulted in a two-day hearing costing approximately \$39,100. The additional hearings caused an increase in masks, face shields, cleaning supplies, hand sanitizers, etc. Also, the Board incurred a 54% decrease in other non-operating revenues due to decrease in interest income.

Bank Reconciliations

The November 2020 bank reconciliation for the Iberia Bank checking account was not prepared within 2 months of the statement closing date.

Response and Corrective Action: going forward, the Board will ensure that bank reconciliations are prepared within 2 months of the related statement closing date.

Receipts/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.

Response and Corrective Action: due to a limited budget, the Board has determined the hiring of additional staff to address this exception to not be practical. 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.

Non-Payroll Disbursements

The five disbursements selected for testing did not include evidence of approval. Consequently, we were unable to determine whether or not at least two employees were involved in the purchase / payment process.

Response and Corrective Action: going forward, the Board will ensure that a board member or member of management reviews and approves each invoice (initial/date) before processing the payment.