

**AGREED-UPON PROCEDURES REPORT**  
State Board of Private Investigator Examiners  
Independent Accountant's Report  
On Applying Agreed-Upon Procedures  
For the Year Ended June 30, 2020

To the Board of Directors of State Board of Private Investigator Examiners and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below as they are a required part of the engagement. I am 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, I have marked "not applicable."

Management of the State Board of Private Investigator Examiners, a component unit of the State of Louisiana, 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 State Board of Private Investigator Examiners and the Louisiana Legislative Auditor solely to assist the users in assessing certain controls and in evaluating management's assertions about the State Board of Private Investigator Examiners compliance with certain laws and regulations during the year ended June 30, 2020.

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, I 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**

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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.
  - 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) time-frame 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.

The board does not have policies and procedures that address financial reporting. The policies and procedures that were written by the State of Louisiana, the Louisiana Department of Administration, and the policies of the Civil Service for payroll are being used by this entity and considered by the board to be sufficient for their operations.

- 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.

The agency has an unwritten disaster recovery policy that it managed through their IT service that covers all six points indicated above.

### ***Annual Fiscal Report (AFR)***

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- 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.

There variances of 10% or more with respects to the following:

Total assets decreased by 11% from a decrease in the cash balances for an increase of operating expense during the year

Deferred outflow had an increase of \$28,915 or 166%, Total liabilities has a decrease of \$164,279 or 40%, deferred inflow had a decrease of \$16,716 all from adjustment for actuary calculations of net pension liabilities and OPEB liabilities.

Net position had an increase of \$134,386 or 212% and expenses decreased by \$194,146 or 53% for the actuary calculation of net pension liability and OPEB liabilities.

### ***Board Meetings/Minutes***

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- 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.

The board usually meets every other month when they are required to meet only quarterly. Due to the Covid precautions, the board was not able to meet in March 2020. A quorum was at each of the meetings

- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons.

There is reference in the minutes that the board is reviewing the variances of the budget.

- 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.

The entity submitted the board meeting minutes for all meeting during the fiscal period to the DOA's boards and commissions database.

### ***Bank Reconciliations***

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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:

There are 3 bank accounts. Two are reconciled each month and a third is an interest bearing account that the agency received only an account balance at the end of each month.

- 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);

Bank reconciliations included evidence that they were prepared within 2 months of the statements closing date.

- 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);

Bank reconciliations had evidence that a member of management other than those that handle cash/receipts, post ledgers, or issue checks has reviewed the bank reconciliations.

- 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; and

There are three bank accounts. Two of these do not have any items that are older than 6 months, however, the operating account does have 3 transactions that are older than 6 months that should be reviewed.

- d) The reconciled balance for the final month of the fiscal period agrees to the general ledger.

The final month of the fiscal year reconciled balance agrees with the general ledger balance for the special account and the operating account but not the interest bearing account. Interest of \$1,355.49 has not been recorded.

### ***Receipts/Collections***

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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.

The agency does not accept cash; however, the employee that handles collections and prepare bank deposit are the same but they have an outsourced bookkeeping firm reconciliating the collections.

- 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.

The employee that handles collections does not post the collections to the general ledger.

- 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.

An outsourced bookkeeping firm reconciles collections to the general ledger while an employee collects these deposits.

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

The agency does not handle cash and does not have insurance policy covering employee 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.

The related documentation for each of the deposits selected agree with the deposit slip.

- b) Trace the deposit slip total to the actual deposit per the bank statement.

Each of the selected deposits were traced to 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).

I was unable to make this determination. The agency does not document when the check is received.

- d) Trace the actual deposit per the bank statement to the general ledger.

All selected deposits agree with the posting to the general ledger.

- 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.

There are no written policies or procedures but management does have a process they are using to determine the 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.

The fees paid on the selected licenses were the appropriate fee established by the board.

- 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.

The penalties collected was in accordance with the board's policies.

- 10. 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.

NA – this is not a levee district

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

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11. 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.  
Two employees are involved with the initial purchase and placing the order and managements approves the purchase before ordering.
  - b) At least two employees are involved in processing and approving payments to vendors.  
Two employees are involved in the processing the payment for vendors while management approves the payment.
  - 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.  
The outsourced bookkeeping firm adds/modifies vendor files while an employee process the payment for vendors.
  - 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.  
After the vendor check is signed, they are given to another employee to mail that is not responsible for processing the payment.
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  
All disbursements selected agreed with the original invoice.
  - b) Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #11, as applicable.  
The policy and procedures have employees making the initial purchase and a different employee approving the purchase on the invoice. There is documentation that the invoice is being approved but there is no indication of who initiates the purchase.

**Credit Cards/Debit Cards/Fuel Cards/P-Cards – Not Applicable**

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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 (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.

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.

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

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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](http://www.gsa.gov)).

Reimbursements using a per diem rate agree with the rates established by the State of Louisiana in PPM 49.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

No reimbursements selected used the actual cost.

- 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).

Each reimbursement was supported by documentation of business purpose. There was no reimbursement for meals selected.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Each reimbursement observed was reviewed and approved in writing by someone other than the person receiving the reimbursement.

**Contracts**

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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.

None of the contracts required to have a bid in accordance with the Louisiana Procurement Code or the Louisiana Public Bid law.

- b) Observe that the contract was approved by the governing body/board, if required by policy.

Each of the contracts were approved by the board.

- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.

There was an amendment to the original contract 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.

An invoice was selected from each of the 3 contracts and the related payment agreed with the terms and conditions of the contract.

### ***Payroll and Personnel***

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- 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.

A list of 3 employees was obtained from management.

- 18. 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).

The selected employees had their daily attendance and leave documented.

- b) Observe that supervisors approved the attendance and leave of the selected employees.

Each of the daily attendance and leave records was signed by the supervisor.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Leave accrued and taken during the pay periods selected are reflected in the entity's cumulative leave records.

- 19. 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.

There was one employee that received termination payments during the fiscal period and the maximum hours that could have been paid to the employee for leave was paid at the authorized pay rate.

- 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.

Management has informed me that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid and the associated forms have been filed by the required deadlines.

### ***Ethics***

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21. Using the 5 randomly selected employees from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
- Observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.  
Each employee had documentation they had completed one hour of ethics training during the fiscal period.
  - Observe that the documentation demonstrates each employee attested through signature verification that he or she has read the Entity ethics policy during the fiscal period.  
Best practices recommend the employees sign a verification that they have read the ethics policy. This agency does not have the employees sign a verification and rely on the ethic certificate to indicate the employee has read the ethics policy.
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.  
Each of the 5 board members observed had documentation that demonstrated the required annual ethics training was completed.

### ***Budget***

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23. 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.  
The legally adopted budget was approved by the board November 2018 was not available for review; however, I was able to observe the legally adopted budget from later board minutes. There was no amendment(s) made to the original budget.
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.  
A negative variance of 10.89% exist when comparing the total revenues of the final budget to the revenues reported on the AFR. The variance is from a decrease of the actual license fees and sale of goods and services than budgeted.
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.  
Management has informed me that they update its budget information in the DOA's database. When comparing the database amounts to the budget, the amounts are in agreement.

### ***Debt Service – Not Applicable***

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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).

### ***Sexual Harassment***

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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.

The entity's written sexual harassment policies and procedures address all requirements of R.S. 42:342

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.

Neither the employees or board members obtained their sexual harassment training during the fiscal 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 premises if the entity does not have a website).

The entity has posted its sexual harassment policy and complaint in a conspicuous location on the entity's premises.

31. Obtain the entity 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.

The entity did not file the annual sexual harassment report that was due before February 1.

### ***Other***

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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.

There weren't any public funds or assets misappropriated during the fiscal year.

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.gov/hotline](http://www.la.gov/hotline).

Not applicable

### **Exception 2020-01 General Ledger bank balance**

**Criteria** – The bank account(s) general ledger balance should agree with the balance of the bank reconciliations.

**Condition** – The general balance of an account that holds a certificate of deposit does not agree with the bank balance at the end of the fiscal year. There is a difference of \$1,355.49.

**Cause** – The bank does not issue a bank statement for this account. Instead, they include the balance on a monthly worksheet that compares the bank balance of the accounts to the amount that the bank has pledged to cover any balances in excess of the FDIC coverage.

**Recommendation** – The interest earned on this account should be adjusted so the general ledger balance for this account agrees with the amount indicated by the bank.

**Exception 2020-02 Segregation of Duties for Non-Payroll transactions**

**Criteria** – To observe that the disbursement documentation includes evidence of a segregation of duties regarding the purchase.

**Condition** – Management has indicated there is a separation of duties when initiating a purchase, approving a purchase and placing the order. The only information indicated on the invoice is the approval of the purchase. The employee(s) that initiate the purchase or who places the order is not indicated.

**Recommendation** – To satisfy this procedure, you should Indicate on the invoice which employee is initiating the purchase and the employee that is making the order.

**Exception 2020-03 Sexual Harassment**

**Criteria** – Revised Statute 42:343 – 344 require employees and boards members to obtain sexual harassment training and for the entity to file an annual sexual harassment report for the current fiscal period before February 1 that would include applicable requirements as per R.S. 42:344. The first report was due February 2020.

**Condition** – The sexual harassment training for employees and board members nor the filing of the required annual report were complied with.

**Cause** – Management understood these requirements were not applicable until the next fiscal year.

**Recommendation** – Management may want to complete the annual report that was due February 2020. Completing the sexual harassment training for employees and board members is to late at this time; however, management may consider monitoring the progress of the required training for the upcoming fiscal period.

***Corrective Action***

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

**Exception 2020-01 General Ledger bank balance**

Managements response -

**Exception 2020-02 Segregation of Duties for Non-Payroll transactions**

Managements response -

**Exception 2020-03 Sexual Harassment**

Managements response -

I am 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the procedures performed and the results of those procedures to assist the users in assessing certain controls and management's assertions about compliance with laws and regulations, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under R.S. 24:513, this report is distributed by the Legislative Auditor as a public document.

November 10, 2020

Michel K Glover CPA  
Michael K Glover APAC

**Exception 2020-02 Segregation of Duties for Non-Payroll transactions**

**Criteria** – To observe that the disbursement documentation includes evidence of a segregation of duties regarding the purchase.

**Condition** – Management has indicated there is a separation of duties when initiating a purchase, approving a purchase and placing the order. The only information indicated on the invoice is the approval of the purchase. The employee(s) that initiate the purchase or who places the order is not indicated.

**Recommendation** – To satisfy this procedure, you should Indicate on the invoice which employee is initiating the purchase and the employee that is making the order.

**Exception 2020-03 Sexual Harassment**

**Criteria** – Revised Statute 42:343 – 344 require employees and boards members to obtain sexual harassment training and for the entity to file an annual sexual harassment report for the current fiscal period before February 1 that would include applicable requirements as per R.S. 42:344. The first report was due February 2020.

**Condition** – The sexual harassment training for employees and board members nor the filing of the required annual report were complied with.

**Cause** – Management understood these requirements were not applicable until the next fiscal year.

**Recommendation** – Management may want to complete the annual report that was due February 2020. Completing the sexual harassment training for employees and board members is to late at this time; however, management may consider monitoring the progress of the required training for the upcoming fiscal period.

***Corrective Action***

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

**Exception 2020-01 General Ledger bank balance**

**Managements response** – We are hiring a new CPA firm that will make the needed adjustments and continue to reconcile this account.

**Exception 2020-02 Segregation of Duties for Non-Payroll transactions**

**Managements response** – We will start documenting on the invoice who initiated, placed the order and who approves the purchase.

**Exception 2020-03 Sexual Harassment**

**Managements response** – We will complete the annual report that was due February 2020 and continue filing these report annually as required and will start monitoring the progress of the required training for the upcoming fiscal period as recommended.

I am 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

The purpose of this report is solely to describe the procedures performed and the results of those procedures to assist the users in assessing certain controls and management's assertions about compliance with laws and regulations, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under R.S. 24:513, this report is distributed by the Legislative Auditor as a public document.

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**Prior Year Exceptions - None**