

AGREED-UPON PROCEDURES REPORT

Louisiana State Board of Private Investigator Examiners

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Year Ended June 30, 2021

To the Board of Directors of Louisiana 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 Louisiana 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 Louisiana 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 Louisiana State Board of Private Investigator Examiners compliance with certain laws and regulations during the year ended June 30, 2021.

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

Written Policies and Procedures

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

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.

There are variances greater than 10% for line items deferred outflow and inflow of resources, total liabilities, net position and expenses. Deferred outflow and inflow of resources increased by 70% and 50% respectively, from adjustments made to the OPEB and pension account balances as per the actuary.

Total liabilities increased by 58% due to the actuary adjustments required for OPEB and net pension liability account balances and expenditures increased by 102% over last year for adjustment made to increase pension expense last year adjustment to this account was a decrease in the expense by approximately \$186,000.

Board Meetings/Minutes

3. Obtain and inspect the board minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- a) Observe that the board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

The board had four meetings during the year as required and a quorum was observed for each meeting.

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

There is reference the board is reviewing any variances of the budget.

- 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.

All of the meetings are posted to the DOA's database.

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);

Only two of the twelve bank reconciliations were performed within 2 months of the related statement 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 the employees 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.
Two of the three reconciled balance agree with the general ledger balance at the end of the year. However, the balance on the interest-baring account is off by \$1,823.42 this year and was off by \$1,355.49 in the prior year.

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.

The employee responsible for collections is not the same employee that prepares the bank deposit; however, the employee that is responsible for collecting cash is the same individual that makes the deposits. To mediate this lack of separation of duties, an outsourced bookkeeping firm reconciles the collection documents.
 - 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 an 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.

There are no other documents other than the deposit slip.
 - b) Trace the deposit slip total to the actual deposit per the bank statement.

The deposit slip agrees with the actual deposit per the bank statement.
 - c) Observe that the deposit was made within one business day of collection (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

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.

Each of the deposits selected 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.

Management has an unwritten policy of the procedures used 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 for the selected licenses was the established fee by 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.

There were no license selected that were assessed penalties.

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.

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 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.

There were two employees involved in the initial purchase request and placing the order with a different employee approving the purchase.

- b) At least two employees are involved in processing and approving payments to vendors.

The employee that processes the vendor invoice does not approve 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 same employee processes the payment, adds/modifies vendor files, and reviews changes to vendor files. There are only two full time employees besides the executive director. Segregation of these duties is not considered feasible due to the limited number of employees.

- 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.

The employee that signed the checks gives the signed checks to an employee that will mail the payment and is also responsible for processing the payment before signing.

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.

Each disbursement 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 and an indication of who initiates the purchase.

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:

The only active card is a debit card. This agency does not have a credit card, fuel card or P-cards. The bank statements for the months of March and July were selected to review the supporting documentation.

- 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.

The original invoices have documentation that indicated the employee requesting the purchase is not the same individual that approves the purchase.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

There are no finance charges with the use of the debit card.

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.

I obtained supporting documentation that included the original itemized receipt that identifies the purchase and written documentation of the business purpose. None of transactions on the bank statements selected were for meals.

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).

Each of the reimbursements selected were for mileage reimbursements being paid at a rate of \$0.58 per mile while the PPM49 rate is only \$0.57 per mile.

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

None of the selected transactions included a request for reimbursement of 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

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:

The list obtained from management indicated there were only three contracts during the year.

- 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.

None of the contract were amended.

- 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

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 three full-time and one part time employee was obtained.

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 pay period in the months of October 2020 and April 2021 were selected.

- a) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

All full-time employees have documentation of their daily attendance and leave. The part-time employee has documentation of their attendance and does not obtain leave.

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

The supervisor did approve the attendance record; however, vacation leave was cancelled due to the pandemic.

- c) Observe that any leave accrued or taken during the pay period is reflected in the Entity's cumulative leave records.
Any leave accrued or taken is reflected on 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 were no terminated employees this fiscal year.

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

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.

Each full-time employee completed the one-hour ethics training, the part-time employee did not take the training course.

- b) 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.

A list of board members was obtained from management and each of the five board members selected demonstrated they had the annual ethics training completed.

Budget

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 minutes of January 2020 approved the original budget. The budget was not amended.

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.

When comparing the actual revenues and expenditures to the AFR, expenditures were \$107,491 or 29.12% less than the expenditures budgeted. The differences were actual operating and professional expenditures were 16% and 79%, respectively, less 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 did not agree.

Debt Service – Not Applicable

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

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 policy and procedures address all of the requirements of R.S. 42:342-344.

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.

Each full-time employee and board members selected had documentation of their sexual harassment training, the part-time employee did not take the training course.

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 filed the sexual harassment report for the current fiscal year before February 1.

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.

There were no 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.

The entity did not post on its premises or website the notice required by R.S. 24.523.1.

Exceptions:

Exception 2021-01 – Bank reconciliation

Criteria – Agreed-upon-procedure is inquiring whether or not there is evidence that bank reconciliations are being prepared within 2 months of the related statement closing date.

Condition – Eight of the twelve bank reconciliations were performed after 2 months of the related statement date.

Cause – The agency hired an outsourced accounting firm to assist them in reconciling the bank statement, post entries to the general ledger and other general bookkeeping services. This firm did not perform any of the services they were on contract to perform.

Effect – The agency hired another outsourced firm to perform these services. This firm perform the bank reconciliations in August of 2021.

Recommendation – Steps should be taken to have bank reconciliations performed timely.

Exception 2021-02 General Ledger Bank Balance

Criteria – When comparing the general ledger bank balance of the CD account to the bank statement there was a difference of \$1,823.42.

Condition – The difference is interest that has been earned on the CD over the past years and not recorded.

Cause – An adjustment is not been made to record this interest as it is earned.

Recommendation – An adjustment should be made to record the interest earned at least annually.

Exception 2021-03 – Travel Reimbursements

Criteria – The PPM49 established rate for travel reimbursement for the 2020-2021 fiscal year was \$0.57 per mile.

Condition – The rate used to reimburse for mileage during the fiscal year was \$0.58 per mile.

Effect – Mileage was reimbursement at a rate greater than the PPM49 mileage rate of \$.57 per mile.

Recommendation – Mileage reimbursements should be paid using the most current PPM49 rate. This schedule can be obtained from the DOA website and updated annually. The rates usually change each year.

Exceptions 2021-04 – Ethics and Sexual Harassment Training

Criteria – The code of governmental ethics and sexual harassment state statute RS 42:343 both require each public servant to receive at a minimum one hour of education and training.

Condition – All public servants are required to have one hour training of both ethic and sexual harassment. A part-time employee of the agency did not obtain the required training. All other employees and board members had both of the training courses completed.

Causes – The agency was not aware the required training courses applied to their part-time student worker.

Recommendation - All employees, both full-time and part-time are required to have the one-hour training course for ethics and sexual harassment.

Exceptions 2021-05 – Budget on DOA database

Criteria – An agreed-upon-procedure is to compare the budget information contained in the DOA database to the budget adopted by the agency.

Condition – When comparing the budget adopted by the agency to the budget entered in the DOA database, the budgeted amounts did not agree.

Recommendation – Once the budget has been approved by the board, it should be placed on the DOA database as the current budget for the respective fiscal year.

Exception 2021-06 – Other – Requirements of R.S. 24:523.1

Criteria – R.S. 24:523.1 . Every auditee shall post and keep posted in conspicuous places upon its premises a notice, prepared by the legislative auditor and located on his website, setting forth information concerning the reporting of the misappropriation, fraud, waste, or abuse of public funds.

Condition – This notice is not posted on the premises or the website of this entity.

Recommendation – To have this information posted on the premises and website as required. The information can be obtained from www.lia.la.gov/hotline.

Corrective Action

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

Exception 2021-01 – Bank reconciliation

Response - The LSBPIE has found an accounting firm to perform general bookkeeping services for our agency. We have their contract approved at the next scheduled board meeting. All of the board's accounting will now be kept up to date.

Exception 2021-02 General Ledger Bank Balance

Response - The LSBPIE will have the new bookkeeper make the adjustment in QuickBooks.

Exception 2021-03 – Travel Reimbursements

Response - The LSBPIE will print out and use the most current PPM49 rate schedule.

Exceptions 2021-04 – Ethics and Sexual Harassment Training

Response - The LSBPIE will make sure that all employees take the one hour ethics and sexual harassment training class. Our part-time employee has already taken the class for 2021.

Exceptions 2021-05 – Budget on DOA database

Response - The LSBPIE will work with the new bookkeeper to make sure this information has been corrected in the DOA database.

Exception 2021-06 – Other – Requirements of R.S. 24:523.1

Response - The LSBPIE has posted this information on the premises. We have instructed our IT person to post this information on our website.

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 5, 2021

Michael K Glover CPA, APAC

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Prior year exceptions

Exception 2020-01 General Ledger bank balance

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.

Update – An adjustment was not made to correct this account balance nor to record the interest earned for the current fiscal year.

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

Condition – There was a lack of documentation of a segregation of duties regarding purchases. 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.

Update – The individual that initiates the purchase now initials the invoice along with the employee that approves the purchase. .

Exception 2020-03 Sexual Harassment

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

Update - Management has filed the annual report before February for the current year and there is documentation of the full-time employees and board members have had the required training courses. However, the part time employee has not taken this training course.