

**LOUISIANA PHYSICAL THERAPY BOARD  
STATE OF LOUISIANA**

**Agreed-Upon Procedures**

**For the Year Ending June 30, 2020**

**LOUISIANA PHYSICAL THERAPY BOARD  
STATE OF LOUISIANA**

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—  
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INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners  
Louisiana Physical Therapy Board  
Lafayette, Louisiana

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

Management of the Louisiana Physical Therapy Board, 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 Board 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 period of July 1, 2019 thru 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, 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***

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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.

***Finding:***

*Procedure performed without exception.*

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.

**Finding:**

*Procedure performed without exception.*

- c) *Disbursements*, including processing, reviewing, and approving.

**Finding:**

*Procedure performed without exception.*

- 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).

**Finding:**

*There is no formal policy on receipts/collections.*

- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

**Finding:**

*Procedure performed without exception.*

- 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.

**Finding:**

*There is no formal policy on contracting.*

- 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).

**Finding:**

*Not applicable.*

- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (2) documentation requirements, (3) timeframe in which requests must be submitted and (4) required approvers.

**Finding:**

*Procedure performed without exception.*

- 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.

**Finding:**

*Procedure performed without exception.*

- j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Finding:**

*Not applicable.*

- 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.

**Finding:**

*There is no formal policy on disaster recovery/business continuity.*

**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.

**Finding:**

*We obtained the 2019 and 2020 submitted AFR's and performed the above analytical procedures. We noted that there were variances of more than 10% as noted above for current investment and sales. Management responded that 2019 the Noncurrent Assets, Investments – noncurrent were calculated at \$983,749.46. These are the two CD accounts invested that earned interest and become the Investment Current line item in 2020. They were categorized differently from one year to the next. In 2020 the income from continuing education course application review, a CEU audit and the credit card processing fee were all calculated in "Sales of Commodities and services. The total in 2019 was \$169,962. In 2020, the total was calculated using the same fields of income, but also adding \$6,348 in Compact Licensure Fees. Compact licensure fees did not exist in the prior fiscal year. In the prior fiscal year (2019) the Continuing Education income was approximately \$160,000 and in 2020 it was*

approximately \$175.00. This income varies depending on how many courses are submitted to the board for review and when course applications are submitted for review.

### ***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.

***Finding:***

*Procedure performed without exception.*

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

***Finding:***

*Procedure performed without exception.*

- 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.

***Finding:***

*Procedure performed without exception.*

### ***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:

- 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).

***Finding:***

*Procedure performed without exception.*

- 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).

***Finding:***

*Procedure performed without exception.*

- 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.

***Finding:***

*Not applicable.*

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

***Finding:***

*Procedure performed without exception.*

***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.

***Finding:***

*Procedure performed without exception.*

- 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.

***Finding:***

*Procedure performed without exception.*

- 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.

***Finding:***

*Procedure performed without exception.*

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

***Finding:***

*Procedure performed without exception.*

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.

***Finding:***

*We were unable to perform this procedure because the Board does not retain copies of deposit slips.*

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

***Finding:***

*We were unable to perform this procedures because the Board does not retain copies of deposit slips.*

- 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).

***Finding:***

*The Board provided copies of all checks comprising each deposit selected. Based on our review of those check it did not appear that deposits are being made within one day of collection.*

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

***Finding:***

*Procedure performed without exception.*

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 (c.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.

***Finding:***

*Procedure performed without exception.*

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.

***Finding:***

*Procedure performed without exception.*

- 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.

***Finding:***

*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.

***Finding:***

*Not applicable.*

***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.

***Finding:***

*Procedure performed without exception.*

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

***Finding:***

*Procedure performed without exception.*

- 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.

**Finding:**

*Procedure performed without exception.*

- 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.

**Finding:**

*Procedure performed without exception.*

- 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:

Select random 5 expenses from the Expense Detail

- 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.

**Finding:**

*Procedure performed with one exception. For one disbursement the invoice could not be located.*

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

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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.

**Finding:**

*Not applicable.*

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

**Finding:**

*Not applicable.*

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.

***Finding:***

*Not applicable.*

***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)).
  - 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.

***Finding:***

*Procedure performed without exception.*

***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.

***Finding:***

*Procedure performed without exception.*

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

***Finding:***

*Procedure performed without exception.*

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

***Finding:***

*Not applicable.*

- 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.

***Finding:***

*Procedure performed without exception.*

***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.

***Finding:***

*Procedure performed without exception.*

- 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).

***Finding:***

*Procedure performed without exception.*

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

***Finding:***

*Procedure performed without exception.*

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

***Finding:***

*Procedure performed without exception.*

- 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.

***Finding:***

*Procedure performed without exception.*

- 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.

***Finding:***

*Procedure performed without exception.*

***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:

- 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.

***Finding:***

*Observed documentation demonstrating each employee completed one hour of ethics training during the fiscal year without exception. The Board does not require employees to sign through signature that they have read the entity's ethic 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.

***Finding:***

*We were able to observe completed training certificates for 4 out of the 5 selected board members.*

## ***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.

***Finding:***

*Procedure performed without exception.*

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.

***Finding:***

*Procedure performed without exception.*

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.

***Finding:***

*Procedure performed without exception.*

## ***Debt Service***

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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.

***Finding:***

*Not applicable.*

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).

***Finding:***

*Not applicable.*

## ***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.

***Finding:***

*Procedure performed without exception.*

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.

***Finding:***

*We were able to observe completed training certificate for 3 out of the 5 selected.*

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).

***Finding:***

*Procedure performed without exception.*

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.

***Finding:***

*The report was dated 9/15/2020. Management was not aware of the requirement to prepare the report by February 1<sup>st</sup>.*

## ***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.

***Finding:***

*Not applicable.*

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).

***Finding:***

*Due to the COVID19 pandemic, we were unable to go to the Board's office however management stated that they do have the policy posted on the premise.*

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the 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.

***Griffin & Furman, LLC***

September 30, 2020

**LOUISIANA PHYSICAL THERAPY BOARD  
STATE OF LOUISIANA**

**Schedule of Findings**

**June 30, 2020**

**2020-1 - Policies and Procedures**

***Procedure:*** Obtain and inspect the entity's written policies and procedures and observe that they address the following categories and subcategories, as applicable:

*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).

*Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

*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.

***Finding:*** *The Board does not have formal policies for receipts/collections, contracting, and disaster recovery/business continuity.*

***Recommendation:***

*We recommend the Board revise their policies to address these items.*

**2020-2 - Receipts / Collections**

***Procedures:***

- 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 collection (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

***Finding:*** *We were unable to perform procedures a and b because the Board does not retain copies of deposit slips. For procedure c the Board provided copies of all checks comprising each deposit selected. Based on our review of those checks it did not appear that deposits are being made within one day of collection.*

***Recommendation:*** *We recommend the Board retain copies of all deposits slips. We also recommend that deposits be made as soon as possible upon receipt.*

LOUISIANA PHYSICAL THERAPY BOARD  
STATE OF LOUISIANA

Schedule of Findings

June 30, 2020

**2020-3 – Nonpayroll Disbursements**

*Procedure:* Observe that selected disbursements matched the related original invoice/billing statement.

*Finding:* For one disbursement the invoice could not be located.

*Recommendation:* We recommend the Board retain all original invoices supporting disbursements.

**2020-4 – Ethics**

*Procedure:* Observe that documentation demonstrates each employee attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

*Finding:* The Board does not require employees to sign through signature that they have read the entity's ethics policy.

*Recommendation:* We recommend the Board require each employee attest through signature verification that he or she has read the Board's ethics policy during the fiscal year.

**2020-5 – Ethics**

*Procedure:* 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.

*Finding:* We were able to observe completed training certificates for 4 out of the 5 selected board members.

*Recommendation:* We recommend the Board ensure all Board members complete ethics training each year.

**2020-6 – Sexual Harassment**

*Procedure:* 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.

*Finding:* We were able to observe completed training certificate for 3 out of the 5 selected.

LOUISIANA PHYSICAL THERAPY BOARD  
STATE OF LOUISIANA

Schedule of Findings

June 30, 2020

***Recommendation:** We recommend the Board ensure all employees/board members complete sexual harassment training each year.*

**2020-7 – Sexual Harassment**

***Procedure:** 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.*

***Finding:** The report was dated 9/15/2020. Management was not aware of the requirement to prepare the report by February 1st.*

***Recommendation:** We recommend the Board ensure the sexual harassment report is prepared by February 1<sup>st</sup> of each year.*



JOHN BEL EDWARDS  
GOVERNOR

State of Louisiana  
DEPARTMENT OF HEALTH AND HOSPITALS

CHARLOTTE F. MARTIN, M.P.A.  
EXECUTIVE DIRECTOR

## Louisiana Physical Therapy Board

September 30, 2020

Griffin & Furman, LLC  
2270 7<sup>th</sup> Street, Suite 1  
Mandeville, Louisiana 40777

Re: FY 2019-2020 Agreed Upon Procedures Schedule of Findings

Dear Mr. Furman,

In response to the above referenced Schedule of Findings, the Louisiana Physical Therapy Board acknowledges the finding and agrees to take the following corrective actions.

### **2020-1 - Policies and Procedures**

**Procedure:** Obtain and inspect the entity's written policies and procedures and observe that they address the following categories and subcategories, as applicable:

*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).

*Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

*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.

**Finding:** *The Board does not have formal policies for receipts/collections, contracting, and disaster recovery/business continuity.*

**Recommendation:** *We recommend the Board revise their policies to address these items.*

**Louisiana Physical Therapy Board corrective action:** *The Board will adopt policies to address receipts/collection, contracting, and disaster recovery/business continuity.*

## 2020-2 - Receipts / Collections

### ***Procedures:***

- 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 collection (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

***Finding:*** We were unable to perform procedures a and b because the Board does not retain copies of deposit slips. For procedure c the Board provided copies of all checks comprising each deposit selected. Based on our review of those checks it did not appear that deposits are being made within one day of collection.

***Recommendation:*** We recommend the Board retain copies of all deposit slips. We also recommend that deposits be made as soon as possible upon receipt.

***Louisiana Physical Therapy Board corrective action:*** The Board will retain copies of all deposits slips and will make deposits daily as the funds are received.

## 020-3 – Nonpayroll Disbursements

***Procedure:*** Observe that selected disbursements matched the related original invoice/billing statement.

***Finding:*** For one disbursement the invoice could not be located.

***Recommendation:*** We recommend the Board retain all original invoices supporting disbursements.

***Louisiana Physical Therapy Board corrective action:*** The Board will retain all supporting invoices for all disbursements.

## 2020-4 – Ethics

***Procedure:*** Observe that documentation demonstrates each employee attested through signature verification that he or she has read the entity's ethics policy during the fiscal period

***Finding:*** The Board does not require employees to sign through signature that they have read the entity's ethic policy.

***Recommendation:*** We recommend the Board require each employee attest through signature verification that he or she has read the Board's ethics policy during the fiscal year.

**Louisiana Physical Therapy Board corrective action:** *The Board will have employees sign the ethics policy each fiscal year.*

#### **2020-5 – Ethics**

**Procedure:** 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.

**Finding:** *We were able to observe completed training certificates for 4 out of the 5 selected board members.*

**Recommendation:** *We recommend the Board ensure all Board members complete ethics training each fiscal year.*

**Louisiana Physical Therapy Board corrective action:** *The Board will ensure that all Board members complete ethics training each fiscal year.*

#### **2020-6 – Sexual Harassment**

**Procedure:** 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

**Finding:** *We were able to observe completed training certificate for 3 out of the 5 selected.*

**Recommendation:** *We recommend the Board ensure all employees/board members complete sexual harassment training each year.*

**Louisiana Physical Therapy Board corrective action:** *The Board will ensure that all employees and board members complete sexual harassment training each fiscal year.*

#### **2020-7 – Sexual Harassment**

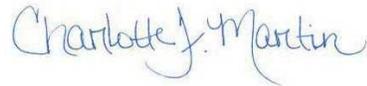
**Procedure:** Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344

**Finding:** *The report was dated 9/15/2020. Management was not aware of the requirement to prepare the report by February 1st.*

**Recommendation:** *We recommend the Board ensure the sexual harassment report is prepared by February 1st of each year.*

***Louisiana Physical Therapy Board corrective action:*** *The Board will prepare the annual sexual harassment report by the required deadline in the following fiscal years.*

Thank you,

A handwritten signature in blue ink that reads "Charlotte F. Martin". The signature is written in a cursive style.

Charlotte F. Martin, MPA  
Executive Director

In compliance with Act 655 of the 2018 Regular Legislative Session, the Board gives notice to its licensees and applicants of their opportunity to file a complaint about board actions or procedures. You may submit such complaints to one or more of the following organizations: La Physical Therapy Board, 2110 W. Pinhook Road, Ste. 202, LA 70508; 337-262-1043; [info@laptboard.org](mailto:info@laptboard.org); Committee on House & Governmental Affairs; La House of Representatives, P.O. Box 44486, Baton Rouge, LA 70804; 225-342-2403; [h&ga@legis.la.gov](mailto:h&ga@legis.la.gov); Committee on Senate & Governmental Affairs; La Senate, P.O. Box 94183, Baton Rouge, LA 70804; 225-342-9845; [s&g@legis.la.gov](mailto:s&g@legis.la.gov)

**LOUISIANA PHYSICAL THERAPY BOARD  
STATE OF LOUISIANA**

**Status of Prior Year Findings**

**June 30, 2020**

**2019-1 Ethics**

***Procedure:** We obtained ethics compliance documentation from management and report indicating whether the Board maintained documentation demonstrated that required annual ethics training was completed. We obtained a listing of Board members and employees from management. We randomly selected five of the Board members and selected four employees and reported whether the Board maintained documentation to demonstrate that required one-hour annual ethics training was completed.*

*We inquired of management whether any alleged ethics violations were reported to the Board during the fiscal period.*

***Results:** Board was able to provide documentation that the one-hour annual ethics training was completed by all four employees.*

*Board was unable to provide documentation for one of the five commissioners that the commissioner completed the annual requirement of one hour of ethics training required by R.S. 42:1170(3)(a)(i). All board members had not completed the Ethics within a timely fashion. The statute requires that all public servants receive a minimum of one hour of education and training on the Code of Governmental Ethics during each year of public employment or term of office. The prior year exception remains unresolved.*

***Recommendation:** Management should ensure that all employees and commissioners complete the required ethics training annually. Management concurred with the finding and outlined a plan of corrective action.*

***Corrective Action:** Require that individuals must complete the Ethics course within 60 days of their appointment, then annually before December 31 while serving on the board. Require that certificates of completion are submitted to the board office upon completion. Management keeps track of who has submitted the certificate*

***Status:** Unresolved. See procedures #20 in current year report.*

**2019-2 Inadequate Segregation of Duties**

***Procedure:** We obtained the listing of bank accounts from management and the management's representation states that the listing is complete. We obtained the bank statements and reconciliations for all months of the fiscal year. We confirmed that bank account reconciliations are performed timely, and bank statements are reviewed timely. A member of management or a Board member who does not handle cash, post ledgers or issue checks has reviewed each reconciliation.*

***Finding:** The Board has not established adequate segregation of duties over bank and credit card reconciliations. One employee performs the monthly bank reconciliations and the monthly credit card reconciliations and another employee reviews the work. Both of these employees have access to the general ledger and records transactions. Inadequate segregation of duties increases the risk of employee error or fraud, although no such errors or fraud were identified.*

LOUISIANA PHYSICAL THERAPY BOARD  
STATE OF LOUISIANA

Status of Prior Year Findings

June 30, 2020

*Adequate segregation of duties requires functions be segregated between processing transactions in the accounting system and reconciliation. If the controls cannot be adequately segregated due to limited staff, management should develop other monitoring procedures to help mitigate the risk of error or fraud. The prior year exception remains unresolved.*

***Recommendation:*** *The Board should consider assigning a Board member to routinely compare the monthly bank reconciliation and credit card reconciliation to payments, deposits, relevant supporting documentation, and the trial balance, which should partially compensate for the deficiency and serve as a monitoring function.*

***Corrective Action:*** *Revise the internal policy on Financials to require a board member to routinely compare the monthly bank reconciliation and credit card reconciliation to payments, deposits, relevant supporting documentation, and the trial balance. Policy will be reviewed at the September 2019 board meeting for board approval.*

***Status:*** *Resolved.*