

COURT OF APPEAL, FIFTH CIRCUIT
STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES
PROCEDURAL REPORT
ISSUED MAY 15, 2019

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

ASSISTANT LEGISLATIVE AUDITOR
FOR STATE AUDIT SERVICES
NICOLE B. EDMONSON, CIA, CGAP, MPA

DIRECTOR OF FINANCIAL AUDIT
ERNEST F. SUMMERVILLE, JR., CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and online at www.lla.la.gov.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. One copy of this public document was produced at an approximate cost of \$0.20. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's website at www.lla.la.gov. When contacting the office, you may refer to Agency ID No. 8763 or Report ID No. 80190015 for additional information.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Elizabeth Coxe, Chief Administrative Officer, at 225-339-3800.

Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE

Court of Appeal, Fifth Circuit



May 2019

Audit Control # 80190015

Introduction

The primary purpose of our procedures at the Court of Appeal, Fifth Circuit (Court) was to evaluate certain controls the Court uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and to provide accountability over public funds.

Results of Our Procedures

We evaluated the Court's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the applicable laws and regulations. Based on the documentation of the Court's controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures on selected controls and transactions relating to self-generated revenue, payroll expenditures, and non-payroll expenditures.

Self-generated Revenue

The Court's operations are funded through appropriations and through self-generated revenues from filing and copy fees authorized and determined by Louisiana Revised Statute (R.S.) 13:352. Our procedures included a review of the Court's collection of filing fees. Based on the results of our procedures, the Court had adequate controls in place to ensure that filing fees were collected for the correct amount, deposits were accurate and timely, and that the transactions were properly recorded.

Payroll Expenditures

Based on the significance of payroll expenditures at the Court, we performed procedures to determine that employees are paid at their authorized rates and that time sheets are recorded, reviewed, and approved. In addition, we performed procedures to determine that accrual and usage of leave hours were accurate and approved. We also performed procedures to determine that payroll deductions were accurate. Based on the results of our procedures, the Court had adequate controls in place to ensure that employee pay and deductions were accurate, authorized, and properly recorded.

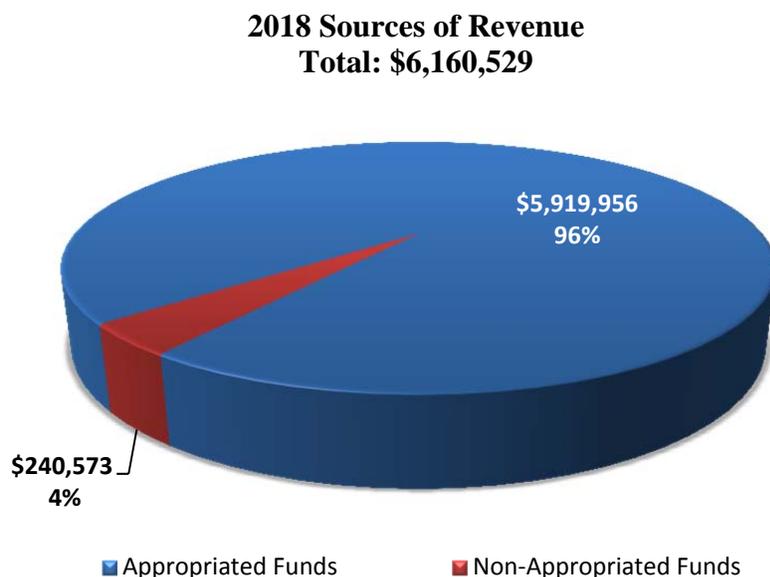
Non-Payroll Expenditures

Based on risks identified at the Court, we performed procedures to determine that non-payroll related expenditures complied with established policies and state regulations. We also ensured that these expenditures were supported by receipts or other appropriate documents. Based on the results of our procedures, the Court had adequate controls in place to ensure that non-payroll expenditures were supported and were processed in accordance with applicable policies and regulations.

Trend Analysis

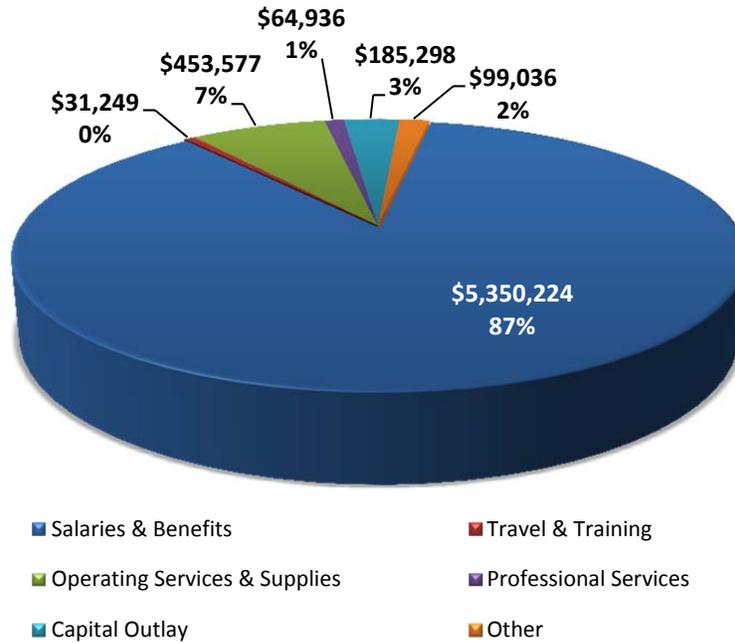
We compared the most current and prior-year financial activity using the Court's Annual Fiscal Reports and/or system-generated reports and obtained explanations from the Court's management for any significant variances that could potentially indicate areas of risk. We also prepared an analysis of the Court's fiscal year 2018 sources of revenues and fiscal year 2018 expenditures.

The Court is funded with state general fund appropriations, fees in accordance with R.S. 13:352, and fees for the Judges' Supplemental Compensation Fund in accordance with R.S. 13:10.3(E). State appropriations and fees collected are used to fund salaries and related benefits, travel and conventions, operating supplies and services, professional services, and capital outlay. Salaries and related benefits are the most significant expenditures of the Court.



Source: 2018 Annual Fiscal Report

2018 Expenditures
Total: \$6,184,320



Source: 2018 Annual Fiscal Report

Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,
Daryl G. Purpera
Daryl G. Purpera, CPA, CFE
Legislative Auditor

JRH:JT:BH:EFS:aa

5TH CCA 2019

APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the Court of Appeal, Fifth Circuit (Court) for the period from July 1, 2017, through May 14, 2019. Our objective was to evaluate certain controls the Court uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and to provide accountability over public funds. The scope of our procedures, which are summarized below, was significantly less than an audit conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. We did not audit or review the Court's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. The Court's accounts are an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated the Court's operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to the Court.
- Based on the documentation of the Court's controls and our understanding of related laws and regulations, and results of our analytical procedures, we performed procedures on selected controls and transactions relating to self-generated revenues, payroll expenditures, and non-payroll expenditures.
- We compared the most current and prior-year financial activity using the Court's Annual Fiscal Reports and/or system-generated reports to identify trends, and obtained explanations from the Court's management for any significant variances that could potentially indicate areas of risk.

The purpose of this report is solely to describe the scope of our work at the Court, and not to provide an opinion on the effectiveness of the Court's internal control over financial reporting or on compliance. Accordingly, this report is not intended to be, and should not be, used for any other purpose.