



Report Highlights

Louisiana Department of Revenue

MICHAEL J. "MIKE"
WAGUESPACK, CPA

Audit Control # 80220052
Financial Audit Services • March 2023

Why We Conducted This Audit

We performed certain procedures at the Louisiana Department of Revenue (LDR) as a part of the Annual Comprehensive Financial Report of the State of Louisiana, the Single Audit of the State of Louisiana, and to evaluate LDR's accountability over public funds for the period July 1, 2021, through June 30, 2022.

What We Found

- LDR incorrectly reported revenue received and the accounts receivable balances in its 2022 Annual Fiscal Report, which is used by the Division of Administration, Office of Statewide Reporting and Accounting Policy to compile the state of Louisiana's Annual Comprehensive Financial Report. Sales, corporate, and individual tax modified revenues were understated by \$39.5 million, and modified receivables were understated by \$32.2 million due to the omission of \$7.3 million of hotel/motel sales tax revenues and \$32.2 million of pending sales, corporate, and individual tax receivables.
- LDR did not maintain adequate controls over payroll processing, which resulted in untimely or lack of certification of time statements by employees and untimely or lack of approval of time statements by supervisors. In addition, LDR did not maintain adequate controls over pre-input procedures when making changes to human resources' master data.
- We determined that management has resolved the prior-year findings related to Weaknesses in Controls over the Gentax System and Noncompliance with Tax Incentive and Exemption Reporting to the State Legislature and the Governor.

View the full report, including management's responses, at www.lla.la.gov.