

**LOUISIANA STATE RADIOLOGIC TECHNOLOGY BOARD OF EXAMINERS
STATE OF LOUISIANA
Report on Agreed-Upon Procedures**

**For the Year Ended
June 30, 2019**



AGREED-UPON PROCEDURES REPORT

Louisiana State Radiologic Technology Board of Examiners

Independent Accountant's Report
On Applying Agreed-Upon Procedures

For the Year Ended June 30, 2019

To the Board and Management of the Louisiana State Radiologic Technology Board of Examiners:

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 State Radiologic Technology Board of 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 Radiologic Technology Board of Examiners and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the Louisiana State Radiologic Technology Board of Examiners compliance with certain laws and regulations during the year ended June 30, 2019.

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) the preparation and approval process of purchase requisitions and purchase orders; (3) controls to ensure compliance with the public bid law or state purchasing rules and regulations; and (4) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts**, 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) **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) approval process, and (4) 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, and (5) monitoring card usage.
- 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 42:1111-1121, (2) actions to be taken if an ethics violation takes place, and (3) system to monitor possible ethics violations.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

The written policies and procedures address each of the financial/business functions, as applicable.

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.

Cash increased by 20% and unrestricted net position increased by 102% due to an increase in license fees collected as well as decreased expenses.

Board (or Finance Committee, if applicable)

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 met with a quorum in accordance with applicable rules and regulations.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons.
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, observe there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, observe that the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.

The minutes referenced monthly budget-to-actual comparisons.

- 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.

The entity submitted board meeting minutes for all meetings during the fiscal period.

Bank Reconciliations

4. Obtain a listing of bank accounts from management for the fiscal period and management's representation that the listing is complete.

Management provided us with the required listing as well as the representation that the listing was complete.

5. 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 two months of the related statement closing date (e.g. initialed and dated, electronically logged);

Bank reconciliations were prepared within two months of the related statement closing date.

- b) Bank reconciliations include evidence that a member of management or a 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 include evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation.

- 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 were no reconciling items outstanding for more than 6 months at the statement closing date.

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

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

Collections

6. Obtain and inspect written policies and procedures relating to employee 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.

- b) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger, unless another employee/official is responsible for reconciling ledger postings to the deposit.

- c) The employee(s) responsible for reconciling cash collections to the general ledger by revenue source is not responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions were noted.

7. Select the highest (dollar) week of cash collections from the general ledger or other accounting records (e.g. cash collection log, daily revenue reports, receipt book, etc.) during the fiscal period. Obtain supporting documentation for each deposit made during the selected week and:
 - Trace sequentially numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - Trace the deposit slip total to the actual deposit per the bank statement.
 - 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 deposit is less than \$100).
 - Trace the actual deposit per the bank statement to the general ledger.

No exceptions were noted.

8. Obtain and inspect written policies and procedures (if no written policies and procedures, inquire to management) and observe that there is a process performed to determine completeness of all collections, including electronic transfers, for each revenue source (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued) by a person who is not responsible for collections.

There is a process specifically designed to determine completeness of all collections by a person who is not responsible for 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:

Management provided us with the required listing as well as the representation that the listing was complete.

- Observe that the fee paid for license was the appropriate fee based on the applicable fee schedule established by the board or statute.

The fee paid for license was the appropriate fee based on the applicable fee schedule for each of the 10 applicants selected.

- If a penalty was assessed (e.g. late fee), observe that the penalty was assessed and collected in accordance with the board's policies.

No exceptions were 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.

Not applicable.

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

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), 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.

Management provided us with the required listing as well as the representation that the listing was complete.

12. Using the listing prepared by management, randomly select five cards (all cards should be selected if the entity has less than five) that were used during the fiscal period. Obtain the monthly statements, or combined statements with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) 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, by someone other than the authorized card holder.

There was only one debit card. There is evidence that the monthly statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder.

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

No finance charges and/or late fees were assessed on the selected statement.

13. Using the monthly statements or combined statements selected under #12 above, obtain supporting documentation for all transactions included on the monthly statements or combined statements for each of the five cards selected (i.e. each of the five cards should have one month of transactions subject to testing).

- a) For each transaction, observe that the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)
- Written documentation of the business/public purpose.
- Documentation of the individuals participating in meals (for meal charges only).
- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

Each transaction was supported by an original itemized receipt and documentation of the business/public purpose. No other documentation was required.

- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law or Louisiana Procurement Code (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes), as applicable, and report any exceptions.

No exceptions were noted.

- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the

nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions were noted.

Travel and Travel-Related Expense Reimbursement

14. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Management provided us with the required listing as well as the representation that the listing was complete.

15. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the state's travel rules and regulations (i.e. PPM 49) and report any rates that exceed the rates established by PPM49. Note: Report rates that exceed those established in PPM49 even if the entity has the legal authorization to establish its own rates.

The reimbursed rates were in compliance with the state's travel rules and regulations.

16. Using the listing or general ledger from #14 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Observe that each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, observe that each expense was reimbursed in accordance with the rates provided in PPM 49 rates (#15 above).

The expenses reimbursed were in accordance with written policy.

- b) Observe that each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]

Each expense was supported by an original itemized receipt identifying precisely what was purchased.

- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).

Each expense was supported by documentation of the business/public purpose.

- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

No other documentation was required.

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the

transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions were noted.

- d) Observe the travel reimbursement request exceeding \$25.00 was submitted within 30 days following the travel in accordance with PPM 49.

No exceptions were noted.

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

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

Contracts

- 17. Obtain a listing of all agreements/contracts for professional services, materials, and supplies, leases, and construction activities that were in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Management provided us with the required listing as well as the representation that the listing was complete.

- 18. Using the listing above, randomly select the five contract "vendors" that were paid during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner or the Louisiana Legislative Auditor). Obtain the related contracts and paid invoices and:

- a) Observe that there is a formal/written contract that supports the services arrangement and the amount paid.

There is a formal/written contract that supports the services arrangement and the amount paid for the contracts.

- b) Observe that the contract was bid in accordance with the Louisiana Public Bid Law or Louisiana Procurement Code (e.g. solicited quotes or bids, advertised), if required by law.

No exceptions were noted.

- c) Observe that the contract was approved by the board, evidenced by board minutes or other contract documents, if required by policy.

No exceptions were noted.

- d) If the contract was amended, observe that the original contract terms provided for such an amendment.

Not applicable.

- e) Select the largest payment from each of the five 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.

The largest payments under the contracts were selected and the invoice and related payment agreed to the terms and conditions of the contract.

Payroll and Personnel

19. Obtain a listing of employees with their actual salaries paid during the period, and obtain management's representation that the listing is complete. Randomly select five employees, obtain their personnel files, and

Management provided us with the listing of the two employees.

- a) Agree actual paid salaries to the authorized salaries/pay rates in the personnel file.

Actual paid salaries of the two employees agreed to the authorized salaries per the personnel file.

- b) Review changes made to hourly pay rates/salaries during the fiscal period and observe that those changes were approved in writing and in accordance with written policy.

Changes to hourly pay rates/salaries during the fiscal period were approved in writing and in accordance with written policy.

20. Obtain attendance and leave records and randomly select one pay period during the fiscal period in which leave has been taken by at least one employee, and:

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

Each employee documented their daily attendance and leave.

- b) Observe that supervisors approved, electronically or in writing, the attendance and leave of the selected employees.

Supervisors approved in writing the attendance and leave of the selected employees.

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

Leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

21. Obtain from management a list of those employees that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee cumulative leave records, and agree the pay rates to the employees' authorized pay rates in the employees' personnel files.

Not applicable.

22. 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 provided us with the required representation.

Non-Payroll Disbursements – Other General

23. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter all for all other entity disbursements that are not addressed in the sections above (credit card/debit card/travel card/P-card, travel and expense reimbursement, and contracts). Obtain management's representation that the listing or general ledger population is complete.

Management provided us with the required listing as well as the representation that the listing is complete.

24. Using the listing or general ledger from #23 above, randomly select five disbursements. Obtain supporting documentation (e.g. purchase requisition, invoices, receipts, receiving slips) for each disbursement. For each of the five disbursements selected:

- a) Observe that each expense is supported by:
- An original itemized receipt or invoice that identifies precisely what was purchased.
 - Documentation of the business/public purpose
 - Other documentation as may be required by written policy

No exceptions were noted.

- b) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. purchases for items for personal use without a business/public purpose). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

No exceptions were noted.

- c) Observe that each expense and related documentation was reviewed and approved, in writing, by someone other than the person who initiated the purchase.

Each expense and related documentation was reviewed and approved, in writing, by someone other than the person who initiated the purchase.

Ethics

25. Using the five selected employees from procedure #19 under "Payroll and Personnel" above, obtain ethics compliance documentation from management, and observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.

Each of the two employees completed one hour of ethics training during the fiscal period.

26. Obtain a listing of board members from management. Randomly select five of the board members and observe whether the entity maintained documentation to demonstrate that required annual ethics training was completed.

Each of the five selected board members completed the required annual ethics training.

Budget

27. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the legally adopted budget. There were no amendments.

28. Trace the budget adoption and amendments to the minute book.

The budget adoption was traced to the minutes of the meeting on July 19, 2017.

29. 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.

No variances of 10% or greater were noted.

30. 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 posted its budget information in the DOA's boards and commissions database for the current fiscal period and we observed that the budget information contained in the database agrees to the budget adopted by the board.

Debt Service

31. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and observe that State Bond Commission approval was obtained.

Not applicable.

32. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and observe that the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Not applicable.

Other

33. 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.

Management is not aware of any misappropriations of public funds or assets.

34. Inquire of management whether the entity contracted for audit or attest services other than these agreed-upon procedures during the current period. Report the type of audit or attest service (i.e. audit, review, agreed-upon procedures, etc.) contracted by management and the purpose or requirement for the additional audit or attest service.

Management did not contract for audit or attest services other than these agreed-upon procedures.

Corrective Action

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

See the summary schedule of findings.

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.

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 Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

September 23, 2019

Hienz & Macaluso, LLC

**LOUISIANA STATE RADIOLOGIC TECHNOLOGY BOARD OF EXAMINERS
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2019**

Year ended June 30, 2019

There were no findings during the current year.

Year ended June 30, 2018

There were no findings during the year ended June 30, 2018.