

**Louisiana State Board of
Examiners of Psychologists**

Baton Rouge, Louisiana

Year Ended June 30, 2019

Agreed-Upon Procedures

William D. Mercer, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

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WILLIAM D. MERCER, CPA

A PROFESSIONAL ACCOUNTING
CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Members of the Board and the Louisiana Legislative Auditor
Louisiana State Board of Examiners of Psychologists,
Louisiana Department of Health, State of Louisiana
Baton Rouge, Louisiana

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 Examiners of Psychologists, 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 Examiners of Psychologists 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 Board of Examiners of Psychologists' 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, I 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, (3) documentation requirements, (4) timeframe in which requests must be submitted, and (5) 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.

Written policies and procedures were obtained and reviewed without exception.

Annual Fiscal Report (AFR)

2. Obtain the financial statements from the AFR submitted to the Division of Administration's (DOA) Office of Stateside 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.

Variances meeting the stated criteria are as follows:

- *Cash and cash equivalents increased by \$ 70,930*
- *Pension related deferred outflows of resources decreased by \$ 32,012*
- *Net pension liability decreased by \$ 128,557*
- *Pension related deferred inflows of resources increased by \$ 75,282*
- *Administrative expenses decreased by \$ 99,189*

Management's response and explanation of these variances is attached to this report.

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 documentation 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.
 - 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.
 - 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.

Board minutes were reviewed for the period under examination. No exceptions were noted.

Bank Reconciliations

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

A listing of all bank accounts was obtained from management. The Board has one checking account and one savings account.

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 included evidence that they were prepared within two months of the related statement closing date (e.g. initialed and dated, electronically logged);
 - 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);
 - 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
 - d) The reconciled balance for the final month of the fiscal period agrees to the general ledger.

Bank statements and bank reconciliations for each month of the current fiscal period were obtained. Reconciliations were prepared monthly for both accounts. Reconciliations were prepared by the entity's outside accounting firm. For the months of July and August 2018, the bank reconciliations were reviewed by the Executive Director. For the remaining months of the fiscal period, bank reconciliations were reviewed by the Board president. At June 30, 2019, no reconciling items were over six months outstanding. The reconciled balances of both accounts agreed to the general ledger as of June 30, 2019.

Collections

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

The entity had two employees during most the period of review. One of those employees was the Executive Director, and the other was a student worker utilized during the period of license renewal only. Collections, if any, are made by the Executive Director, who also records transactions and reconciles the bank accounts. Compensating controls include review and approval of bank reconciliations by the Board chair, as well as minimal review of books by the outside accountant.

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.

The entity's general ledger was obtained and examined to determine the highest dollar week of collections. For the week selected, all collections were made by online payments, so no deposit documentation was available. Deposits were traced from accounting records to the bank statement 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 (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.

No specific process for this has been established. The Board reviews monthly financial statements and information related to receivables and revenues at its meetings.

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:
 - Observe that the fee paid for license was the appropriate fee based on the applicable fee schedule established by the board or statute.
 - If a penalty was assessed (e.g., late fee), observe that the penalty was assessed and collected in accordance with the board's policies.

Examined a random sample of licenses, using a random number generator for determination of which license numbers to examine, to determine that appropriate license fees were paid. Additional license payments were examined to ensure that fees for application, jurisprudence, and oral examination fees were appropriately charged and collected. 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.

For the period under review, the Board had one purchase card issued through a local credit union.

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

Selected the largest month of purchases for the one purchase card available and examined the statement for that card. The statement for the card was reconciled by the outside accountant and examined and approved by the Board chair.

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.)
 - 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 (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
 - 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.

Original receipts and invoices were examined for all charges listed on the selected statement. Documentation of business purpose and individuals participating in Board meetings, which included meals, was examined. A registration fee for the spouse of the Executive Director totaling \$200.00 was paid with the credit card, but reimbursed by the Executive Director immediately after the charge was made. No other exceptions were noted. Management's response to this matter is attached to this report.

Travel and 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.

The entity's general ledger was obtained and sorted to determine travel and expense reimbursements paid to employees and Board members for the fiscal period.

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 Board reimburses travel and related expenses in accordance with state 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 PPM49 rates (#15 above).
 - 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.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
 - 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.
 - d) Observe the travel reimbursement exceeding \$25.00 was submitted within 30 days following the travel in accordance with PPM49.
 - e) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

For the fiscal period under examination, only two Board members received travel or expense reimbursements, and no employees received travel or expense reimbursements. For the two expense reimbursements examined, receipts and other were attached for applicable travel and expenses incurred. One reimbursement request covering the period from July 20, 2018 to December 14, 2018, and totaling \$ 1,639.77, was submitted on December 23, 2018. This reimbursement was properly processed within 30 days of receipt from the Board member. Both expense reimbursement claims were reviewed and approved by the Executive Director. No other exceptions were noted. Management's response to this matter is attached to this report.

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.

The entity's general ledger was obtained and sorted to identify individuals or businesses being paid for contract services as noted above.

18. Using the listing above, randomly select 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.
 - b) Observe that the contract was bid in accordance with the Louisiana Public Bid Law or Procurement Code (e.g., solicited quotes or bids, advertised), if required by law.
 - c) Observe that the contract was approved by the board, evidenced by board minutes or other contract documents, if required by policy.
 - d) If the contract was amended, observe that the original contract terms provided for such an amendment.
 - 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.

Written contracts for three of the five selected vendors were provided. Vendors who did not have a contract included a company who hosts the entity’s website and a company who provided cleaning and maintenance services for the agency’s former office facilities. The entity solicited quotes for each contract. No vendor contracts selected were amended during the year. Selected payments for each vendor were reviewed, and all expenditures complied with the applicable contract terms and conditions. No exceptions were noted.

Payroll and Personnel

19. Obtain a listing of employees with their actual paid during the period, and obtain management’s representation that the listing is complete. Randomly select five employees, obtain their personnel files, and
 - a) Agree actual paid salaries to the authorized salaries/pay rates in 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.

For the period under examination, the Board had three employees—the Executive Director and two student workers to assist during the license renewal period. The entity’s accounting records were examined to determine the amount of compensation paid to each employee. The compensation amounts were traced back to personnel files without exception. During the year under examination, a change in compensation for the Executive Director was approved by the Board.

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).
 - b) Observe that supervisors approved, electronically or 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.

Examined attendance and leave records for all employees as noted. The attendance and leave records for the Executive Director were reviewed and approved by the Board chair, and the attendance and leave records for the other employees were reviewed and approved by the Executive Director. For the pay period examined, one student worker detailed 24 hours of work time, but incorrectly totaled the hours attended as 28 hours. The 28 hours reported was also noted on the related payroll check. Attendance records for the period under review also included amounts of leave earned, taken, and balance available for the Executive Director, as the student workers did not receive leave. No other exceptions were noted. Management's response to this matter is attached to this report.

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 using in management's termination payment calculations, agree the hours to the employee cumulative leave records, and agree the pay rates to the employee's authorized pay rates in the employee's personnel files.

During the period under examination, no employees terminated or resigned.

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 represents that all payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums were paid, and all required payroll tax returns and forms have been filed in a timely manner.

Non-Payroll Disbursements – Other General

23. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter 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.

The entity's general ledger was obtained and sorted to determine other disbursements as noted in this procedure.

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

Five disbursements were examined as noted without exception. All disbursements were accompanied by original receipts or invoices and documentation of business purpose. Three of the disbursements examined were reviewed and approved by the Executive Director, and the remaining disbursements were reviewed and approved by the Board president.

Ethics

25. Using the five randomly selected employees/officials 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.

For all employees, the Louisiana Ethics Administration Program website was utilized to determine employee compliance with this requirement. No exceptions were noted.

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.

For all members of the board, the Louisiana Ethics Administration Program website was utilized to determine board member compliance with this requirement. No exceptions were noted.

Budget

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

I obtained a copy of the legally adopted budget and the one amendment made thereto without exception.

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

The adoption of the original budget and the amendment to the original budget were traced to board minutes without exception.

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.

Compared total revenue and total expenditures of the final budget to actual total revenue and total expenditures in the entity's financial records. For the fiscal period under examination, budgeted expenditures totaled \$ 271,199 and actual expenditures per the accounting records were \$ 212,566, a difference of \$ 58,633 or 21.6% of the budgeted amount. Management's response to this matter is attached to this report.

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.

The amended budget was traced to the online database without exception.

Debt Service

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

Not applicable, as the Board did not issue debt during the fiscal period.

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, as the Board did not have any outstanding debt during the fiscal period

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.

No misappropriations of public funds or assets were known or reported by the entity. During the fiscal period under examination, certain unauthorized credit card charges were reported by the entity to its credit card issuer, and those unauthorized charges were subsequently reversed. No other matters were noted.

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.

During the fiscal period, the entity contracted for accounting services with two outside CPA firms. One firm prepared monthly financial statements for Board use and review, and the other firm assisted in closing the books and preparation of the Annual Fiscal Report (AFR) for the fiscal period.

Corrective Action

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

Management's response to the exceptions noted in this report are included in the attached response dated September 26, 2019.

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

WILLIAM J. MERZON, CPA (NAC)

Baton Rouge, Louisiana
September 25, 2019

LOUISIANA STATE BOARD OF
EXAMINERS OF PSYCHOLOGISTS
Baton Rouge, Louisiana

SCHEDULE OF PRIOR EXCEPTIONS

The prior agreed-upon procedures report for the year ended June 30, 2018, disclosed the following exception:

Budget – Comparison of certain budgetary information listed in the DOA database did not correspond to amounts noted in the amended budget adopted by the Board. The last budget formally adopted and reported to the proper oversight committees contained several revisions. In an email dated May 17, 2018, the entity’s accountant affirmed that the amendments were updated in the database. The Executive Director also reviewed the amended sections, but did not catch the discrepancies noted in the “Means of Financing Detail Self-Generated Revenue.” Management believes this section was not updated properly due to oversight, typographical error, or a failure to properly save the information in the database, as all other amendments were updated timely.



LOUISIANA STATE BOARD OF EXAMINERS OF PSYCHOLOGISTS

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September 26, 2019
Via Electronic Mail Only

Mr. William D. Mercer, CPA
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Preliminary Findings Legislative Audit
Year Ending June 30, 2018

Dear Mr. Mercer:

On behalf of the Louisiana State Board of Examiners of Psychologists (LSBEP or Board), I am responding in my capacity as the Executive Director of the LSBEP, to the variances and exceptions outlined in your draft report received September 25, 2019. The responses below were compiled in collaboration with Koren Boggs, Ph.D., Board Chair, Gregory Gormanous, Ph.D., Board Member and Valerie Dominique, CPA.

In response to the five variances noted:

- 1. LSBEPs cash and cash equivalents increased by \$70,930.* This amount includes a prior year fund-balance which has continued to increase this fiscal year due to the budgetary cuts made in staff, travel and also board members who voluntarily waived their per diem in order to offset the increased legal expenses incurred during fiscal year ending 2017. Additionally, the LSBEP had a higher retention of licensees resulting in a slight increase in renewal fees; an increase in applicants resulting in a slight increase in application and examination fees; and also obtained the ability to seek reimbursement for adjudicatory matters that do not go to hearing resulting in a slight offset of contractor fees.
- 2. Pension related deferred outflows of resources decreased by \$32,012.* Under GASB, the Board is required to report future pension & Other Post Employment Benefit (OPEB) obligations. An actuary calculates what the Board must record as OPEB liability, pension liability, deferred inflows & deferred outflows each year, per the schedules at this link: <https://www.doa.la.gov/Pages/osrap/afrpackets.aspx>
- 3. Net pension liability decreased by \$128,557.* Under GASB, the Board is required to report future pension & Other Post Employment Benefit (OPEB) obligations. An actuary calculates what the Board must record as OPEB liability, pension liability, deferred inflows & deferred

outflows each year, per the schedules at this link: <https://www.doa.la.gov/Pages/osrap/afrpackets.aspx>

4. *Pension related deferred inflows of resources increased by \$75,282.* Under GASB, the Board is required to report future pension & Other Post Employment Benefit (OPEB) obligations. An actuary calculates what the Board must record as OPEB liability, pension liability, deferred inflows & deferred outflows each year, per the schedules at this link: <https://www.doa.la.gov/Pages/osrap/afrpackets.aspx>

5. *Administrative expenses decreased by \$99,189 due to the requirement that we report future obligations for OPEB & Pension as liabilities on the Balance Sheet.* To adjust the liability balances on the Balance Sheet to match the Schedules, we have to record adjustment to the OPEB Expense & Retirement Expense accounts on the P&L. For year-ended 6/30/18 the non-cash expense adjustments required for OPEB & Pension totaled \$106,813.55. For year ended 6/30/19, to adjust the liabilities to the Schedules provided in the link above, we were required to reduce Retirement & OPEB expenses by \$20,084.23.

In response to the four exceptions noted:

Exception No. 1: *For the fiscal period under examination, only two Board members received travel or expense reimbursements, and no employees received travel or expense reimbursements. For the two expense reimbursements examined, receipts and other were attached for applicable travel and expenses incurred. One reimbursement request covering the period from July 20, 2018 to December 14, 2018, and totaling \$1,639.77, was submitted on December 23, 2018. This reimbursement was properly processed within 30 days of receipt from the Board member. Both expense reimbursement claims were reviewed and approved by the Executive Director. No other exceptions were noted.*

Response to Exception No. 1: This matter was discussed with Drs. Koren Boggs, Board Chair and Gregory Gormanous, Board Member. We collectively do not agree that this is an exception. La. R.S. 37:2353.A.5 requires that "...board members **shall** receive seventy-five dollars per diem allowance plus the mileage rate provided state employees to cover expenses incurred while engaged in the discharge of their duties."

LSBEPs Policy and Procedures require that board member expenses are submitted in a report, signed by the Payee and approved by the Board Chair, prior to reimbursement, which is not time limited; PPM49 states that expense reports "should be" submitted within 30 days, and further, the LSBEP has not exercised its *discretion* under PPM49 to *require* a 30-day submission of an expense report of any amount and believe that such a requirement would contradict the statutory provision under La. R.S. 37:2353.A.5., which provision is also not time limited. Reimbursements were paid within 30 days *on receipt* of complete, proper travel documentation as required by PPM49. The reimbursement requests in question were received within the fiscal year in which they were incurred, and paid timely. If there is a statutory or regulatory provision requiring 30 days to request reimbursement that supersedes LSBEP's statutory authority, please provide that specific reference for consideration by the LSBEP for a policy change.

Exception No. 2: *Examined attendance and leave records for all employees as noted. The attendance and leave records for the Executive Director were reviewed and approved by the Board chair, and the attendance and leave records for the other employees were reviewed and approved by the Executive Director. For the pay period examined, one student worker detailed 24 hours of work time, but incorrectly totaled the hours attended as 28 hours. The 28 hours reported was also noted on the related payroll check. Attendance records for the period under review also included amounts of leave earned, taken, and balance available for the Executive Director, as the student workers did not receive leave. No other exceptions were noted.*

Response to Exception No. 2: Time sheets were turned in early for an employee scheduled to work on payday, 6/6/2019. Due to unexpected weather (tornados, flooding in our office, security system installation, and a crashed computer) on 6/6/2019, the employee was asked to stay home. These unusual and very chaotic circumstances caused this overpayment to be missed and not corrected on the subsequent check. The 4-hour overage (\$48) will be corrected on the next paycheck of this employee.

Exception No. 3: *Original receipts and invoices were examined for all charges listed on the selected statement. Documentation of business purpose and individuals participating in Board meetings, which included meals, was examined. A registration fee for the spouse of the Executive Director totaling \$200.00 was paid with the credit card, but reimbursed by the Executive Director immediately after the charge was made. No other exceptions were noted.*

Response to Exception No. 3: In April 2019, registration for the ASPPB (board association) MidWinter Meeting in question was online and did not allow a separate payment option for guests. LSBEP required representation at this meeting and the employee's attendance was not optional. Payment for the guest registration was made with the employee's purchase card and funds were immediately reimbursed to the LSBEP by the employee. The registration issue was brought up at the 2019 ASPPB MidWinter Meeting by the employee and the association corrected their registration process this year to allow for separate registrations for the 2019 Annual Meeting (see 2018 and 2019 registration instructions attached). Future registrations with ASPPB involving guests should not be an issue; or alternatively advanced payment to the employee will be facilitated in accordance with PPM49 if the employee is not allowed to separate expenses and required to use personal payment methods for LSBEP business.

Exception No. 4: *Compared total revenue and total expenditures of the final budget to actual total revenue and total expenditures in the entity's financial records. For the fiscal period under examination, budgeted expenditures totaled \$271,199 and actual expenditures per the accounting records were \$212,566, a difference of \$58,633 or 21.6% of the budgeted amount. Compared total revenue and total expenditures of the final budget to actual total revenue and total expenditures in the entity's financial records. For the fiscal period under examination, budgeted expenditures totaled \$271,199 and actual expenditures per the accounting records were \$212,566, a difference of \$58,633 or 21.6% of the budgeted amount.*

Response to Exception No. 4: In addition to the requirement to reduce retirement and OPEB expenses by \$20,084.23, the LSBEP budgets the full amount of its contracts (e.g. legal,

complaint coordinator, investigator) whether or not those funds are utilized within a Fiscal Year. Budgeting for such expenses/contracts are predictions based on the number of consumer complaints received and processed in previous calendar years. However, there is no methodology to accurately predict how many complaints consumers may file in a fiscal year or the amount of resources that each complaint will require. If the funds budgeted for contract labor are not spent on complaint matters in one fiscal year, those funds are carried over for use by the Board in the next fiscal year. The Board does not receive funds from the state general fund. Therefore, it strives to be fiscally responsible with its self-generated revenue in order to achieve a “rainy day fund” to carry out its purpose and continue to operate should unexpected expenses occur (e.g. complaint, legal, technology, or other emergency expenses). Should the Board’s revenue consistently exceed expenses [after the board is considered adequately staffed, OPEB expenses funded, and a “rainy day fund” is established] then the Board could consider reducing its fees.

Please let me know if any matters were not properly addressed or additional information is needed.

Sincerely,



Jaime T. Monic

Executive Director

**Louisiana State Board of
Examiners of Psychologists**

4334 S. Sherwood Forest Blvd., #C-150

Baton Rouge, LA 70816

Phone (225) 295-8410

NOTICE: In compliance with Act 655 of the 2018 Regular Session, the LSBEP hereby gives notice to its licensees and applicants of their opportunity to file a complaint about board actions and board procedures. You may submit such complaints to one or more of the following organizations:

- 1 Louisiana State Board of Examiners of Psychologists: **Submit in writing to:** LSBEP, 4334 S. Sherwood Forest Blvd., #C-150, Baton Rouge, LA 70816; admin.lsbep@la.gov; (225)295-8410
- 2 Committee on House & Governmental Affairs, La. House of Representatives: **Submit to:** HR&GA@legis.la.gov or Committee on House & Governmental Affairs, La. House of Representatives, PO Box 44486, Baton Rouge, LA 70804; (225) 342-2403
- 3 Committee on Senate & Governmental Affairs; La Senate: **Submit to:** s&g@legis.la.gov or Committee on Senate & Governmental Affairs; La Senate PO Box 94183, Baton Rouge, LA 70804; (225)342-9845



ASPPB
Association of State and
Provincial Psychology Boards

2019 Midyear Meeting Registration Form Members

Registration fee: \$290 (early bird special)
Use the code **MEMBER** at checkout
Guest fee: \$200

The registration fee covers 3 breakfasts, 2 lunches, breaks, Presidential reception, President's dinner, welcome reception, and meeting materials.

Please follow these directions carefully to complete registration:

1. To begin registration, follow this link: <https://cms.eventur.com/register/47>
2. Fill in the required fields of the registration form.
 - o **Email & Password.** You will be asked to create a password with your email address. This will be your username and password for the meeting app. Our meeting app is used to track your CE credits. We will send an email with more details closer to the meeting.
 - o **Biography.** Enter your biography for our meeting app so attendees can get to know you.
 - o **Membership Type.** Please fill in your membership type (Board Administrator/Staff, Psychologists Member, Public Member, Board Attorney/Legal Counsel, Liaison to ASPPB)
3. Once you have completed the required fields, click on **PAY NOW** and enter the code **MEMBER** to receive your early bird discount.
4. Enter your credit card information and click **REGISTER**.

Additional Attendees & Guests:

- **Adding Additional Attendees.** If you will be registering additional meeting attendees, you can simply click on the **+ATTENDEES** button on the right side of the screen to add additional attendee information (the pricing will automatically calculate).
- **Adding Guests (Add Ons).** If you will be bringing guests to the Midyear meeting, you can simply list them as an add on. Complete your attendee registration and then click **PAY NOW** at the bottom right side of the screen. Enter in the quantity of guests and the total will calculate for you. We will contact you closer to the meeting to receive your guest names and ensure they have a name badge.

****To receive your EARLY BIRD rate of \$290, please use code MEMBER at check out.****
****Need to be billed directly? Contact Anita or John at 678-216-1175****

Jurisdictional Financial Assistance (JFA)

All jurisdictions have \$500 per year (up to \$1,000 if not used the previous year) available to use to offset travel or hotel costs, payable to the board or the attendee. To apply, reach out to Stacey Camp at scamp@asppb.org.

2019 ASPPB Annual Meeting

Registration Instructions for Members

EARLY BIRD REGISTRATION DEADLINE IS THURSDAY, SEPTEMBER 12th

Registration fee: \$290 (early bird special), \$315 after September 12th.

Use the code **MEMBERAM19** at checkout

Guest Registration is \$200:

If you will be bringing guests to the Annual Meeting, you can simply select the number of guests at the bottom once you've completed the top portion of the form. **If you need to pay for guest registration with a different credit card from your registration, please contact John Mickley directly at jmickley@asppb.org or 678-216-1175 to complete a separate transaction.**

- The registration fee includes meeting materials, 4 breakfasts, 3 lunches, 1 dinner and reception.
- 1 Delegate's fee is waived (the delegate is the voting member of your jurisdiction). If you will be the delegate for your jurisdiction, please use the code **DELEGATE** to complete your registration. All others attending from your jurisdiction will be listed as Alternate Delegate and their registration fee is \$290 (early bird special), \$315 after September 12th.
- Jurisdictional Financial Assistance (JFA): All jurisdictions have \$500 per year (up to \$1,000 if not used the previous year) available to use to offset travel or hotel costs, payable to the board or the attendee. To apply, reach out to Stacey Camp at scamp@asppb.org

Please follow these directions carefully to complete registration:

1. **To begin registration, follow this link:** <https://cms.eventur.com/register/58>
2. Fill in the required fields of the registration form.
 - **Email & Password.** You will be asked to create a password with your email address. This will be your username and password for the meeting app. Our meeting app is used to track your CE credits. We will send an email with more details closer to the meeting.
 - **Biography.** Enter your biography for our meeting app so attendees can get to know you.
 - **Membership Type.** Please fill in your membership type (Board Administrator/Staff, Psychologist Member, Public Member, Board Attorney/Legal Counsel, Liaison to ASPPB)
3. Once you have completed the required fields, click on **PAY NOW** and enter the code **MEMBERAM19** to receive your early bird discount.
4. Enter your credit card information and click **REGISTER**.

Additional Meeting Attendees:

If you will be registering additional meeting attendees, you can simply click the **+ATTENDEES** button on the right side of the screen to add additional attendee information (the pricing will automatically calculate).

PLEASE NOTE: If you are registering the delegate and an additional attendee, please complete the registration forms separately so you can ensure the correct discount pricing.

****To receive your EARLY BIRD rate of \$290, please use code MEMBERAM19 at check out.****

****Need to be billed directly? Contact Anita or John at 678-216-1175****

Hotel Registration

HOTEL REGISTRATION DEADLINE IS FRIDAY, SEPTEMBER 20th



Minneapolis Marriott City Center
30 South 7th Street
Minneapolis, MN 55402

Special ASPPB Room Block Rates:
\$185.00 per night
Room Rate Tax: 13.4%

Online and phone reservations are now being accepted. A dedicated booking website has been created so you will be able to make, modify and cancel hotel reservations online, as well as take advantage of any room upgrades, amenities or other services offered by the hotel.

To make your hotel reservation, please click the following link:
<https://book.passkey.com/e/49907788>

Important Note: You need to make your reservations before **September 20, 2019** to ensure the group room block rate.

If you wish to make your reservations by phone, please use the following dedicated Group Reservations phone numbers in order to make sure you are able to access the special block rates.

- Reservations Toll Free: 1-877-303-0104
- Reservations Local Phone: 1-866-315-9403