

LOUISIANA STATE BOARD OF OPTOMETRY EXAMINERS  
STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES  
PROCEDURAL REPORT  
ISSUED DECEMBER 13, 2021

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

**LEGISLATIVE AUDITOR**  
MICHAEL J. "MIKE" WAGUESPACK, CPA

**FIRST ASSISTANT LEGISLATIVE AUDITOR**  
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.la.la.gov](http://www.la.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 \$0.55. 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.la.la.gov](http://www.la.la.gov). When contacting the office, you may refer to Agency ID No. 5024 or Report ID No. 80200158 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 Jenifer Schaye, General Counsel, at 225-339-3800.

---

# Legislative Auditor

Michael J. “Mike” Waguespack, CPA



## Louisiana State Board of Optometry Examiners

December 2021

*Audit Control # 80200158*

---

### Introduction

The primary purpose of our procedures at the Louisiana State Board of Optometry Examiners (Board) was to evaluate certain controls that the Board uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds for the period January 1, 2020, through December 31, 2020.

The Board was created within the Louisiana Department of Health as provided by Louisiana Revised Statute (R.S.) 37:1042. The Board’s mission is to regulate and ensure the safe practice of optometry within the state of Louisiana. The Board is responsible for the licensure, certification, and regulation of individuals practicing optometry in Louisiana.

### Results of Our Procedures

We evaluated the Board’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 Board’s controls and our understanding of related laws and regulations, we performed procedures on selected controls and transactions relating to Board meetings, bank reconciliations, receipts and collections, disbursements, travel expenses, payroll and personnel, ethics, budget, and sexual harassment policies. We also evaluated the Board’s compliance with certain laws and regulations.

---

### Current Report Findings

#### Lack of Controls over Disbursements

The Board lacks proper controls over its disbursements. According to the Board’s general ledger, calendar year 2020 disbursements totaled \$126,726 (\$61,246 - payroll and \$65,480 - non-payroll).

Based on our procedures, the following were identified:

- During the year, the same employee had access to checks, was responsible for preparing and remitting checks and posting entries to the general ledger, had the ability to add and modify vendor records in the accounting system, and had the ability to make payments online using an e-check. The same employee also received the bank statements and prepared the bank reconciliation without any

supervisory approval or review, as discussed in our current-year finding titled “Lack of Controls over Bank Reconciliations.”

- Although the Board had a control of requiring dual signatures on checks, with one signatory being the Board’s president and one signatory being the Board’s secretary-treasurer, the control was overridden during the year by the previous board president. According to the Board’s former employee, the previous board president pre-signed stacks of blank checks for the Board’s use. As a result, only the Board’s previous secretary-treasurer’s signature was required after the checks were prepared by the Board’s former employee. Furthermore, the previous board president’s term expired in July 2020, but he remained the authorized signatory on the Board’s accounts and continued signing checks through August 2021 when the Board updated its signature authority records with the Board’s bank.
- Based on our review of five nonpayroll disbursements, two were missing invoices, receipts, or other documentation justifying the business purpose of the disbursement, but was reasonably explained by the Board’s former employee.
- Based on our review of five disbursements for travel expense reimbursements, one reimbursement request for meals did not include travel dates and times, an itemized receipt, or the business purpose for the meal.

The Board failed to place sufficient emphasis on developing and implementing internal controls over disbursements, which increases the risk that errors or fraud may occur and not be detected. Good internal controls require adequate segregation of duties, dual signatures for checks, and maintaining copies of invoices/receipts or other documentation justifying the business purpose of all disbursements. Adequate segregation of duties requires that the initiation, execution, and approval of financial transactions be performed by separate individuals.

The Board should develop and implement controls over its disbursements to ensure (1) adequate support and justification for all disbursements are maintained in the Board’s accounting records; (2) signature authorities with the bank are timely updated for board member changes; (3) board member(s) with signature authority for checks never under any circumstances pre-sign blank checks; (4) only board member(s) with signature authority have the ability to process e-checks online; and (5) a board member routinely reviews disbursements according to the bank statement, reviews bank reconciliations and journal entries, and reviews changes to vendor records in the accounting system. The Board concurred with the finding and provided a plan of corrective action (see Appendix A).

### **Lack of Controls over Bank Reconciliations**

The Board does not have adequate controls over its bank reconciliations, which increases the risk that employee error or fraud could occur and not be detected timely. Good internal controls require a monthly reconciliation of bank balances to the accounting records, with supervisory review and approval in a timely manner. Reconciling items should also be well documented, and those outstanding for more than six months should be researched with appropriate action taken.

Based on our review of the 12 monthly bank statements and reconciliations for the months during calendar year 2020, none of the reconciliations contained any evidence of supervisory review and approval, and five reconciliations were not prepared within two months of the statement closing date. Also, there were nine reconciling items consisting of \$1,235 in uncleared checks or debits and \$3,988 in uncleared deposits or credits from general ledger transactions posted to the cash account that were dated between March 2013 and January 2020 with no evidence of research or attempt to resolve them. For the largest reconciling item, a \$3,802 transaction that increased the general ledger cash account in September 2013, the Board was unable to explain or provide any supporting documentation other than it originated from an entry posted by a previous employee.

Board policy should require timely preparation of monthly bank reconciliations and evidence of board member review or approval. Evidence of board member review and approval should be documented and maintained as part of the Board's accounting records. Also, the Board should research and document all reconciling items and take appropriate action on those outstanding for more than six months. The Board concurred with the finding and provided a plan of corrective action (see Appendix A).

### **Inappropriate Use of Board Resources**

The Board allowed use of its resources for the benefit of the Louisiana Optometry Association (Association), a private entity, potentially violating state law. Article VII Section 14 of the Louisiana Constitution prohibits the loaning, pledging, or donating of public funds, including credit, property, or things of value to or for any person, association, or corporation, public or private.

During calendar year 2020, the Board's previous secretary-treasurer also served as the Association's executive director and ran the day-to-day operations of both entities. The Board and the Association shared office space, with all rent and utilities paid by the Board. A portion of the former Board employee's time was spent on Association business while being paid solely by the Board. The Board's accounting records do not indicate any payments received from the Association, and there is no cooperative endeavor agreement between the Association and the Board on shared costs.

The Board's 2020 and 2021 budgets included a 50% reduction in the former Board employee's salary, from \$30,000 to \$15,000. We were informed this was because of the Board's expectation that the Association would begin paying half of the salary. However, the Board continued funding the full salary with the Board's funds in 2020 and 2021. The Board did not require its former employee to keep time and attendance records as discussed in the current-year finding titled "Insufficient Payroll Records" and, therefore, we are unable to determine the amount of time and the associated cost incurred by the Board for the employee's work on Association business.

The previous secretary-treasurer was replaced in July 2021, and the Board's office was officially moved from Oakdale, Louisiana, to Ruston, Louisiana in August 2021. Also, the former Board employee resigned in August 2021. The Board and the Association are no longer sharing any resources.

The Board should consult with legal counsel to determine the appropriate actions to take regarding costs incurred for the benefit of the Association. The Board concurred with the finding and provided a plan of corrective action (see Appendix A).

### **Insufficient Payroll Records**

The Board did not maintain any personnel or time records for its one employee, who has since resigned. Failure to place sufficient emphasis on developing and implementing internal controls over payroll increases the risk that errors or fraud may occur and not be detected. Based on our procedures, the following were identified:

- The Board does not have any employment related records required by the federal government such as tax forms, identification information, employment eligibility verification forms, etc.
- The Board had no employment contract or signed agreements with its former employee outlining the employment terms such as compensation, required hours of work, paid leave allotted, benefits, or job responsibilities.
- The Board did not require its former employee to maintain and certify time and attendance for each bi-monthly pay period. As a result, there is no evidence supporting that the former employee actually earned the salary paid. In addition, the former employee also spent time working on the Louisiana Optometry Association's business, which may have violated state laws as discussed in the current-year finding titled, "Inappropriate Use of Board Resources."
- According to the Board's former employee, the Board's previous secretary-treasurer allowed two weeks of paid leave each year. There was no documentation of the Board's approval to provide paid leave.
- The Board was unable to provide documentation of the dates and times that paid leave was taken by the former employee or that leave balances were being tracked. Leave requests were verbally approved by the previous secretary-treasurer.

The Board should (1) maintain a personnel file(s) containing all information and forms required by the federal government; (2) require an employment contract evidencing agreement between the Board and its employee(s) on the employment terms, such as compensation, required hours of work, paid leave allotted, benefits, and job responsibilities; (3) approve employment terms; (4) require its employee(s) to prepare and certify a timesheet each pay period with supervisory review and approval of the timesheet; and (5) maintain records of leave taken and leave balances. The Board concurred with the finding and provided a plan of corrective action (see Appendix A).

### **Potential Prohibited Payment to Employee**

The Board potentially violated state law by paying its former employee a "Christmas bonus" of \$1,250. The Attorney General has consistently opined that Article VII, Section 14 of the Louisiana Constitution prohibits the payment of a bonus, or any other gratuitous unearned payment to public

employees. In addition, no evidence was provided to support that this payment was approved by the Board.

The Board should formally adopt a policy prohibiting bonuses or any other gratuitous unearned payments, to its employees. The Board should also consult with legal counsel to determine the appropriate action to be taken in regards to the payment. The Board concurred with the finding and provided a plan of corrective action (see Appendix A).

### **Untimely Payroll Tax Filings**

The Board did not timely submit quarterly payroll tax withholding reports with the Louisiana Department of Revenue (LDR) and the Internal Revenue Service (IRS), which are due by last day of the first month after each quarter. All four quarters for 2020 were filed on August 10, 2021, which depending on the quarter is between 191 and 467 days late. Failure to file payroll tax withholdings timely may result in penalties and interest.

On November 9, 2020, the Board received a delinquent notice from LDR regarding missing payroll tax withholding reports and payments for the first two quarters of 2020 and the last three quarters of 2019, providing an estimated amount due of \$5,643, including \$3,304 in taxes (net of credits) plus \$2,339 in penalties and interest. Rather than taking immediate action to prepare and submit the reports with the correct amount of withholding taxes, the Board remitted a check for the entire estimate of \$5,643 from LDR's notice. It wasn't until August 10, 2021, more than nine months after the notice, that the Board prepared and submitted the reports to LDR, which indicated actual taxes owed for these five quarters was only \$1,178.

According to the Board's prior contract accountant, the Board's staff were unresponsive to requests for information and documentation needed to prepare and submit quarterly payroll tax reports. The accountant submitted a resignation letter to the Board's previous secretary-treasurer dated May 4, 2021, stating, "we are not receiving your Quickbooks files and supporting documentation on a timely basis to file payroll reports prior to their due dates..." and "...we are not receiving the necessary cooperation from you for us to perform accounting services."

The Board's current secretary-treasurer is working with the Board's current contract accountant to resolve the payroll tax issues. The penalties and interest that the Board will ultimately have to pay to the LDR and IRS is not known at this time.

The Board should prepare and submit the quarterly payroll tax withholding reports by the due date. In addition, the Board should consult with its accountant and LDR to determine if the Board is owed a refund from the \$5,643 payment made to LDR in November 2020. The Board concurred with the finding and provided a plan of corrective action (see Appendix A).

### **Lack of Controls over Collections**

The Board lacks proper controls over its collections. According to the Board's general ledger, calendar year 2020 collections totaled \$146,100.



Based on our procedures, the following were identified:

- During the year, the same employee collected receipts, prepared and made deposits, and posted collection entries to the general ledger and licensing system without anyone reviewing the receipts, deposits, or journal entries. That same employee also received the bank statements and prepared the bank reconciliation without anyone reviewing the reconciliations as discussed in our current-year finding titled “Lack of Controls over Bank Reconciliations.”
- The Board’s revenues consist primarily of licensing fees, examination fees, and license verification fees. Approximately 72% of the Board’s reported revenues are paid electronically online and remitted directly to the Board’s bank account, and the remaining 28% is paid by checks or money orders mailed to the Board’s office. The Board does not log receipt dates, so we were unable to determine the timeliness of deposits. For the entire year, the Board only made five deposits, with each individual deposit ranging from \$3,990 to \$12,000, indicating the Board is not making its deposits timely.
- The Board did not properly reconcile payments recorded to the licensee accounts in the licensing system to the deposits and licensing revenues recorded in the general ledger. In a review of certain license payments included in deposits, we identified three that were deposited and recorded in the general ledger but were not properly recorded in the licensing system. In a review of ten licenses granted during calendar year 2020, one licensee’s payment was not properly posted to the licensing system, although we were able to subsequently verify the payment had been deposited.

The Board failed to place sufficient emphasis on developing and implementing internal controls over its revenue collections, which increases the risk that errors or fraud may occur and not be detected. Good internal controls require adequate segregation of duties, maintaining detailed accounting records, depositing payments timely within 1-2 business days, and reconciling accounting systems at least monthly. Adequate segregation of duties requires that the initiation, execution, and approval of financial transactions be performed by separate individuals.

The Board should develop and implement controls over its collections to ensure (1) receipts are properly logged with the date received; (2) deposits are made timely within 1-2 business days of receiving the payment; (3) receipts, deposits, and journal entries are reviewed by someone other than the person responsible for initiating and executing the transactions; (4) collections between the licensing system and the general ledger are reconciled and then reviewed by someone other than the person that prepared the reconciliation; and (5) a board member routinely compares fees deposited to the expected fees, based on the number of licenses issued or renewed. The Board should also consider the cost-benefit of obtaining a bond or insurance policy to cover its employee(s) who have access to cash to protect the Board from potential losses due to theft. The Board concurred with the finding and provided a plan of corrective action (see Appendix A).



**Lack of Written Policies and Procedures**

The Board does not have written policies and procedures for its primary financial and business functions, including purchasing, disbursements, receipts/collections, payroll/personnel, contracting, travel and expense reimbursement, ethics, and disaster recovery/business continuity. Good internal controls require written policies and procedures to be in place and communicated to staff and applicable board members to guide them in their job duties, reduce errors and omissions, and ensure compliance with laws and regulations. Having written policies and procedures also becomes critical when job duties must transition to new staff and board members as resignations and/or terms expire. Because of the small staff consisting only of a part-time executive director and part-time office manager handling the day-to-day operations, the Board has not prioritized developing any written policies and procedures.

The Board should develop written policies and procedures for business functions to ensure consistency executing its processes. The Board concurred with the finding and provided a plan of corrective action (see Appendix A).

**Noncompliance with Sexual Harassment Laws and Regulations**

The Board did not comply with R.S. 42:342-344, which require all state entities to institute a policy to prevent sexual harassment that shall include prohibited behaviors and an effective complaint and grievance process, annual training for board members and staff, annual reporting requirements to the Division of Administration, and posting of the complaint and grievance process on the entities' website. The Board was unaware of these requirements.

The Board should develop and institute a sexual harassment policy, submit the required annual report, and post the complaint and grievance process on its website. Also, all board members and staff should complete the required annual training. The Board concurred with the finding and provided a plan of corrective action (see Appendix A).

**Insufficient Support for Approved Budget**

The Board did not maintain sufficient supporting documentation of the Board's calendar year 2020 budget that was approved by the board members. As a result, we were unable to verify the accuracy of the budget entered by the Board on the Division of Administration's boards and commissions website.

The Board's meeting minutes dated January 10, 2020, indicate board members accepted the budget as written. However, the official minutes do not contain a copy of the actual budget that was presented and approved by the board members. The Board's previous secretary-treasurer was unable to provide us a copy of the budget referenced in the minutes, but represented to us that the budget reflected on the boards and commissions website is the Board-approved budget.

In our review of the budget information entered by the Board on the boards and commissions website, we identified that the Board is not properly reporting its actual expenses. On the 2021

budget reporting webpage, the column labeled “Prior Year (2020) Actual” should reflect the 2020 actual revenues and expenses, but the Board instead reported its 2020 budget amounts.

The Board should maintain a copy of the Board-approved budget and include it as part of the official meeting minutes. Also, the Board should revise the 2020 actual revenues and expenses that were incorrectly entered on the boards and commissions website. The Board concurred with the finding and provided a plan of corrective action (see Appendix A).

### **Required Ethics Training Not Completed**

For calendar year 2020, all of the Board’s members and its staff were in violation of R.S. 42:1170, which requires that all public servants receive one hour of education and training on the Louisiana Code of Governmental Ethics. The board members and staff were not aware of this requirement.

All board members and staff should complete the required ethics training annually. The Board concurred with the finding and provided a plan of corrective action (see Appendix A).

---

## **Other Results of Our Procedures**

### **Written Policies and Procedures**

The Board did not have written policies and procedures to address any of the categories and subcategories listed below, except for budgeting (see “Lack of Written Policies and Procedures” in the Current Report Findings section).

- (a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
- (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.
- (c) ***Disbursements***, including processing, reviewing, and approving.
- (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).
- (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) legal review, (4) approval process, and (5) monitoring process.
- (g) ***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.
- (h) ***Ethics***, including (1) the prohibitions as defined in 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.
- (i) ***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.

### **Board Meetings and Minutes**

We reviewed the board minutes for the fiscal period to determine whether the managing board met (with a quorum) at least semiannually in accordance with R.S. 37:1045, and referenced or included budget-to-actual comparisons. No exceptions were noted.

We accessed the Board's online information included in the Division of Administration's boards and commissions database to determine that the Board submitted board meeting notices and minutes for all meetings during the fiscal period. No exceptions were noted.

### **Bank Reconciliations**

The Board maintains one checking account used for general operations, and the Board owns multiple certificates of deposit. The Board's former employee participated in cash collection, disbursement, and reconciliation activities. Cash balances, including the certificates of deposit, totaled \$127,369 at December 31, 2020. We performed procedures related to the Board's monthly reconciliations of its cash balances to the general ledger. During our review, we noted five of the 12 monthly reconciliations were not prepared timely, none of the reconciliations contained evidence of supervisory review and approval, and reconciling items were not being properly documented or researched (see "Lack of Controls over Bank Reconciliations" in the Current Report Findings section).

### **Receipts/Collections**

Approximately 86% of the Board's revenue collections during calendar year 2020 were from annual licensing fees. We traced selected licenses that were granted to supporting documentation

to ensure the appropriate fees were collected in accordance with the fee schedule established by the Board. No exceptions were noted.

We performed procedures to determine if deposits were made timely and agreed to recorded collections, the bank, and the general ledger. We reviewed policies and procedures to determine if job duties for collections were properly segregated and that the procedures involved a process to ensure completeness of all revenue sources. During our review, we noted untimely deposits and certain payments that were deposited and recorded in the general ledger, but were not properly recorded to the licensees' account in the licensing system. We also noted job duties were not properly segregated and the former employee who had access to cash was not covered by a bond or insurance policy (see "Lack of Controls over Collections" in the Current Report Findings section).

### **Non-Payroll Disbursements**

For all non-payroll disbursements (excluding travel reimbursements), we obtained an understanding of the Board's procedures relating to the job duties of employees involved with non-payroll purchasing and payment functions. We also analyzed the Board's disbursements and traced selected disbursements to supporting documentation. During our review, we noted that the job duties were not properly segregated, the control requiring dual signatures on checks was overridden by the previous board president, and two out of the five nonpayroll disbursements we reviewed had no supporting documentation (see "Lack of Controls over Disbursements" in the Current Report Findings section).

### **Travel Expenses**

Travel expenses include conference travel, as well as reimbursement of travel expenses for board members and the employee to attend meetings and assist with licensing examinations. Calendar year 2020 disbursements for travel and per diem totaled \$4,047. We traced selected travel expense reimbursements to supporting documentation, evaluated compliance with laws and regulations, and observed evidence of proper review and approval. During our review of five travel expenses, we noted one reimbursement request for meals did not include travel dates and times, an itemized receipt, or the business purpose for the meal (see "Lack of Controls over Disbursements" in the Current Report Findings section).

### **Payroll and Personnel**

Approximately 49% of the Board's disbursements in calendar year 2020 relate to payroll costs. Board personnel during 2020 included the Board's previous secretary-treasurer and a former employee, who resigned in August 2021. We traced the previous secretary-treasurer's actual salary to the salary approved by the Board with no exception noted. Regarding the Board's former employee, the Board had no employment-related records, no employment contract or signed agreements outlining employment terms, and no time and attendance records (see "Insufficient Payroll Records" in the Current Report Findings sections). We identified an improper "Christmas bonus" of \$1,250 paid to the former employee (see "Potential Prohibited Payment to Employee" in the Current Report Findings section), and the former employee's salary exceeded the salary

included in the Board's 2020 budget by \$15,000 (see "Inappropriate Use of Board Resources" in the Current Report Findings section). In addition, the Board did not timely submit quarterly payroll tax withholding reports (see "Untimely Payroll Tax Filings" in the Current Report Findings section).

### **Ethics**

We evaluated evidence to determine if required ethics training was completed by the Board's members and employee. During our review, we noted none of the Board's members nor its former employee completed the required ethics training in 2020 (see "Required Ethics Training Not Completed" in the Current Report Findings section).

### **Budget**

The Board annually adopts a budget by majority vote of its board members. We confirmed the adoption of the Board's 2020 budget and requested the budget information for the current fiscal period to determine if the information agreed with the budget information contained in the Division of Administration's boards and commissions database. The Board did not maintain sufficient supporting documentation of its calendar year 2020 budget that was approved by the board members. As a result, we were unable to verify the accuracy of the budget entered by the Board on the Division of Administration's boards and commissions website (see "Insufficient Support for Approved Budget" in the Current Report Findings section).

Also, during our review of the Board's budget information entered by the Board on the Division of Administration's boards and commissions website, we identified that the Board is not properly reporting its actual expenses (see "Insufficient Support for Approved Budget" in the Current Report Findings section).

### **Sexual Harassment Policies**

We performed procedures to determine if the Board's sexual harassment policies and procedures address all requirements of R.S 42:342-344 and that the policy and complaint procedure was posted on the Board's website or premises. We also requested evidence that the Board's former employee and board members completed the required training during 2020 and that the Board's sexual harassment report was properly completed by the February 1 deadline. During our review, we noted the Board does not have any sexual harassment policies or procedures as required by state law, the Board's members and former employee did not complete the required sexual harassment training, and the Board did not prepare and submit an annual sexual harassment report as required by state law (see "Noncompliance with Sexual Harassment Laws and Regulations" in the Current Report Findings section).

### **Other Compliance Areas**

We obtained management's representation that there were no misappropriations in 2020 to be reported to the legislative auditor and the appropriate parish district attorney.

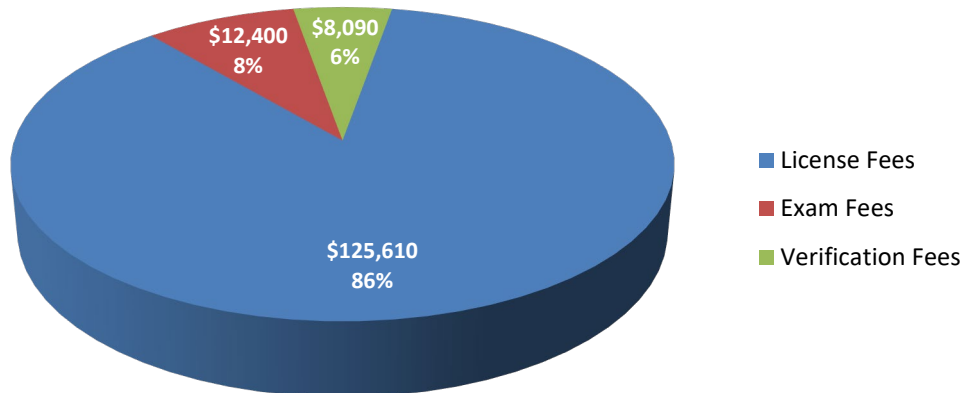
During our review, we noted the Board allowed use of its resources for the benefit of the Louisiana Optometry Association, a private entity, potentially violating state law (see “Inappropriate Use of Board Resources” in the Current Report Findings section).

---

## Comparison of Activity between Years

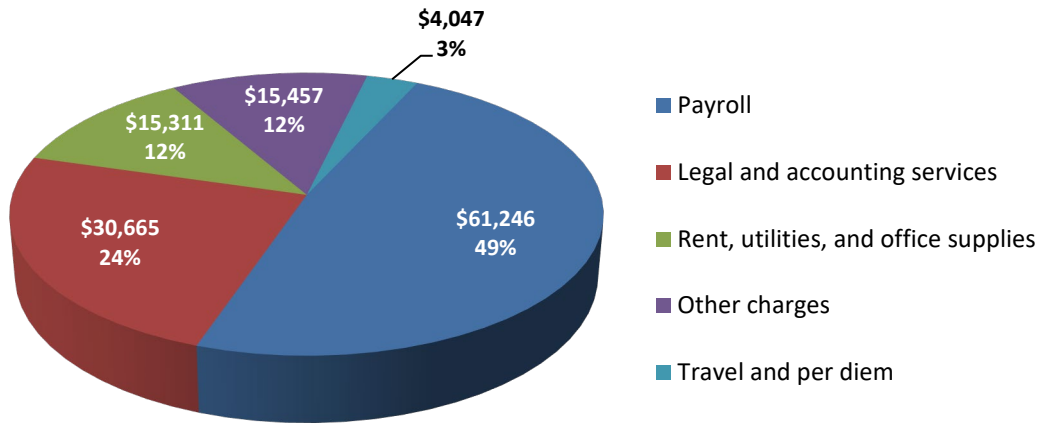
We compared the most current and prior-year financial activity using the Board’s general ledger and other system generated reports to identify trends and obtained explanations from management for any significant variances that could potentially indicate areas of risk. Management provided reasonable explanations for all significant variances. The following charts show the Board’s calendar year 2020 cash basis collections and disbursements.

**Calendar Year 2020 Collections**  
**Total: \$146,100**



Source: Board General Ledger

**Calendar Year 2020 Disbursements  
Total: \$126,726**



Source: Board General Ledger

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

Respectfully submitted,

Michael J. "Mike" Waguespack, CPA  
Legislative Auditor

BEM:BF:BQD:EFS:aa

LSBOE 2020





## **APPENDIX A: MANAGEMENT'S RESPONSE TO THE FINDINGS**





# Louisiana State Board of Optometry Examiners

911 Tech Drive, Ruston, LA 71270, 318-335-2989  
E-Mail: lsboe@yahoo.com

Jeff Anastasio, O.D.  
Covington, LA  
President

Gary Avallone, O.D.  
Ruston, LA  
Secretary

Gerald Gerdes, O.D.  
Oakdale, LA  
Member

Christopher Wroten, O.D.  
Denham Springs, LA  
Member

Dale Benoit,  
Belle Chasse, LA  
Consumer Member

December 1, 2021

Michael J. "Mike" Waguespack, CPA  
Louisiana Legislative Auditor

Sent via email only:  
Bmiller@la.la.gov

RE: Official Response to Auditor's Findings

Dear Mr. Waguespack,

The Louisiana State Board of Optometry Examiners (LSBOE) is in receipt of the audit findings and all LSBOE board members have had an opportunity to review and offer input to the attached response to the findings.

The LSBOE has, before the audit, identified areas that were in need of improvement and the audit findings have only highlighted those areas as well as other areas that will be improved in the future. We take these findings very seriously and promise to make good faith efforts to remedy all findings as quickly as possible.

We offer the attached as the official LSBOE response to findings.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Anastasio", written over a white background.

Dr. Jeff Anastasio

President

Louisiana State Board of Optometry Examiners



# Louisiana State Board of Optometry Examiners

## **Lack of Controls over Disbursements - CONCUR**

The LSBOE Secretary now maintains physical or digital copies of all invoices, statement or bills that are paid each month

Signature authorities with the bank are currently and will continue to be updated for board member changes

The practice of board member(s) with signature authority for checks pre-signing blank checks has been discontinued

Only board member(s) with signature authority have the ability to process e-checks online

Bank statements, bank reconciliations and journal entries, will be made available for reviews

## **Lack of Controls over Bank Reconciliation - CONCUR**

The board CPA now completes preparation of monthly bank reconciliations and will be made available for board review/approval and documented in the minutes as well as maintained as part of the Board's accounting records. Also, the Board will research, and document all reconciling items and take appropriate action on those outstanding for more than six months.

## **Inappropriate Use of Board Resources - CONCUR**

The Board and the Association are no longer sharing any resources. The Board is consulting with legal counsel to determine the appropriate actions to take regarding costs incurred for the benefit of the Association.



# Louisiana State Board of Optometry Examiners

## **Insufficient Payroll Records - CONCUR**

The Board currently has only one 1099 contractor, the LSBOE Secretary

The board will implement:

- (1) maintain a personnel file(s) containing all information and forms required by the federal government
- (2) require an employment contract evidencing agreement between the Board and its employee(s) on the employment terms, such as compensation, required hours of work, paid leave allotted, benefits, and job responsibilities
- (3) approve employment terms
- (4) require its employee(s) to prepare and certify a timesheet each pay period with supervisory review and approval of the timesheet
- (5) maintain records of leave taken and leave balances.

## **Potential Prohibited Payment to Employee - CONCUR**

The Board will formally adopt a policy prohibiting bonuses or any other gratuitous unearned payments, to its employees. The Board will also consult with legal counsel to determine the appropriate action to be taken regarding the payment.

## **Untimely Payroll Tax Filings - CONCUR**

The Board's current secretary-treasurer is working with the Board's current contract accountant to resolve the payroll tax issues. The penalties and interest that the Board will ultimately have to pay to the LDR, and IRS is not known at this time. In addition, the Board is consulting with its accountant and LDR to determine if the Board is owed a refund from the \$5,643 payment made to LDR in November 2020.



# Louisiana State Board of Optometry Examiners

## **Lack of Controls over Collections - CONCUR**

The current procedure for controls over board collections ensure

- (1) receipts are properly logged with the date received.
- (2) deposits are made timely within 1-2 business days of receiving the payment.
- (3) receipts, deposits, and journal entries are reviewed by someone other than the person responsible for initiating and executing the transactions.
- (4) collections between the licensing system and the general ledger are reconciled and then reviewed by someone other than the person that prepared the reconciliation; and
- (6) a board member routinely compares fees deposited to the expected fees, based on the number of licenses issued or renewed

## **Lack of Written Policies and Procedures - CONCUR**

The Board is in process of updating written policies and procedures for business functions to ensure consistency executing its processes.

## **Noncompliance with Sexual Harassment Laws and Regulations - CONCUR**

The Board will develop and institute a sexual harassment policy, submit the required annual report, and post the complaint and grievance process on its website. Also, all board members and staff will complete the required annual training.

## **Insufficient Support for Approved Budget - CONCUR**

The Board will maintain a copy of the Board-approved budget and include it as part of the official meeting minutes beginning with the 2022 budget.

## **Required Ethics Training Not Completed - CONCUR**

All board members and staff will complete the required ethics training annually. This shortfall was identified only days before the auditor's findings were made available to the board and efforts were already underway to comply with the training requirement.



## APPENDIX B: SCOPE AND METHODOLOGY

We conducted certain procedures at the Louisiana State Board of Optometry Examiners (Board) for the period from January 1, 2020, through December 31, 2020. Our objective was to evaluate certain controls the Board uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and 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 Board's Annual Fiscal Report and, accordingly, we do not express an opinion on that report. The Board'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 Board's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to the Board.
- Based on the documentation of the Board's controls and our understanding of related laws and regulations, we performed procedures on selected controls and transactions relating to Board meetings, bank reconciliations, receipts and collections, disbursements, travel expenses, payroll and personnel, ethics, budget, and sexual harassment policies.
- We compared the most current and prior-year financial activity using the Board's general ledger and other system generated reports and obtained explanations from the Board's management for any significant variances.

The purpose of this report is solely to describe the scope of our work at the Board, and not to provide an opinion on the effectiveness of the Board'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.