

COURT OF APPEAL, FIRST CIRCUIT

STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

Procedural Report
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Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA

Court of Appeal, First Circuit



September 2025

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Introduction

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

Results of Our Procedures

We evaluated the Court's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the applicable laws and regulations. Based on the documentation of the Court's controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures relating to capital outlay expenditures, payroll expenditures, professional services expenditures, and information technology access.

Capital Outlay Expenditures

Based on risk identified at the Court, we performed procedures related to Capital Outlay expenditures. We obtained an understanding of the Court's controls over the initiation and approval of capital outlay expenditures. We tested a sample of expenditures from July 1, 2023, through March 31, 2025, to determine that the expenditures were properly authorized, recorded correctly in the accounting system, and supported by adequate documentation. Based on the results of our procedures, the Court had adequate controls in place to ensure capital outlay expenditures were properly authorized, recorded, and supported.

Payroll Expenditures

Salaries and related benefits comprise approximately 85% of the Court's expenditures in fiscal year 2024. We obtained an understanding of the Court's controls over the time and attendance function and pay rate authorizations. We tested a sample of time sheets for certain employees from July 1, 2023, through March 31, 2025, to determine whether employees were paid at their authorized rates, time and attendance and leave records were properly authorized, and leave was

accurately accrued. Based on the results of our procedures, the Court had adequate controls in place to ensure time statements and leave requests were reviewed and approved, employees were paid the amounts authorized, and leave taken was accounted for properly.

Professional Services Expenditures

Based on risks identified at the Court, we performed procedures on expenditures for professional services. We tested a sample of expenditures from July 1, 2023, through March 31, 2025, to determine that the expenditures were properly authorized, recorded correctly in the accounting system, and supported by adequate documentation. Based on the results of our procedures, the Court had adequate controls in place to ensure that professional services expenditures were properly authorized, recorded, and supported.

Information Technology Access

The Court transitioned from Sage 100 to Sage Intacct during fiscal year 2024. Sage systems are used to record revenue and expenditure transactions into the general ledger and to prepare the year-end information needed for its Annual Fiscal Report. The Court also transitioned from internally-processed payroll to using Netchex as a third-party payroll provider during fiscal year 2024. Netchex pays Court employees and prepares tax documents in accordance with its agreement with the Court. We obtained an understanding of the Court's access controls over both systems, as well as reviewed the System and Organization Controls Report on both systems. We also reviewed information technology access and determined access was restricted to business-need only and adequately segregated for both systems.

Trend Analysis

We compared the most current and prior-year financial activity using the Court's Annual Fiscal Reports and/or system-generated reports and obtained explanations from the Court's management for any significant variances.

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

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APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the Court of Appeal, First Circuit (Court) for the period from July 1, 2023, through June 30, 2025. Our objective was to evaluate certain controls the Court uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. The scope of our procedures, which is summarized below, was significantly less than an audit conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit or review the Court's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. The Court's accounts are an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

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

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