

LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD

Agreed-Upon Procedures

For the Year Ending June 30, 2021

LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Commissioners
Louisiana Crawfish Promotion and Research Board
Baton Rouge, Louisiana

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable."

Management of the Louisiana Crawfish Promotion and Research Board, 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 Board and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the Board's compliance with certain laws and regulations during the period of July 1, 2020 thru June 30, 2021.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:
 - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.

Results:

Not applicable. The Board is not required to prepare a 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.

Results:

Per discussion with management of the Board, purchasing/disbursement procedures are not formally documented due to the simplicity of operations and limited activity of the Board. The Board disbursed thirty-three transactions during the fiscal year. Eight of these transactions were for promotion and research of which approval was noted in the Board minutes. The remaining twenty-five disbursements were mileage reimbursements for Board members (22) and other administrative expenses (3). All checks disbursed by the Board require two signatures.

We recommend the Board consider formalizing policies and procedures through a written policies and procedures document.

- c) *Disbursements, including processing, reviewing, and approving.*

Results:

Per discussion with management of the Board, purchasing/disbursement procedures are not formally documented due to the simplicity of operations and limited activity of the Board. The Board disbursed thirty-three transactions during the fiscal year. Eight of these transactions were for promotion and research of which approval was noted in the Board minutes. The remaining twenty-five disbursements were mileage reimbursements for Board members (22) and other administrative expenses (3). All checks disbursed by the Board require two signatures.

We recommend the Board consider formalizing policies and procedures through a written policies and procedures document.

- 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).*

Results:

Per discussion with management of the Board, receipts/collections procedures are not formally documented due to the simplicity of operations and limited activity of the Board. Exclusive of interest payments by the Board's bank, the Board had five deposits during the fiscal year. All receipts are checks received from the Louisiana Department of Agriculture and Forestry (LDAF) who is the initial collection point of all assessments of the Board. The Board is not involved with the initial receipt and it fully dependent on LDAF to remit these assessments to the Board. Once a check is received by the corresponding secretary, he deposits the check and enters the check into the Board financial records.

We recommend the Board consider formalizing policies and procedures through a written policies and procedures document.

- e) *Payroll/Personnel, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.*

Results:

Not applicable. The Board does not have any payroll/personnel.

- 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.

Results:

Per discussion with management of the Board, the Board follows the State's contracting policies.

We recommend the Board consider formalizing these policies and procedures through a written policies and procedures document.

- 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 of statements, and (5) monitoring card usage (e.g. determining the reasonableness of fuel card purchases).

Results:

Not applicable. The Board has no credit cards, debit cards, fuel cards, or P-cards.

- h) *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.

Results:

Per discussion with management of the Board, the Board follows the State's travel policy.

We recommend the Board consider formalizing policies and procedures through a written policies and procedures document.

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (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.

Results:

Per discussion with management of the Board, the Board follows the State's ethics policy.

We recommend the Board consider formalizing policies and procedures through a written policies and procedures document.

- j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results:

Not applicable. The Board has no debt.

- k) *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.

Results:

Not applicable. The Board maintains all financial records in paper form.

Annual Fiscal Report (AFR)

2. Obtain the financial statements from the AFR submitted to the Division of Administration's (DOA) Office of Statewide Reporting and Accounting Policy for the current and prior periods. Perform analytical procedures comparing current and prior period amounts, by line item. Report any variances of 10% or greater for line items that are 10% or more of the respective total assets/deferred outflows of resources, liabilities/deferred inflows of resources, net position, revenues, or expenses, and management's explanation of the variance.

Results:

We obtained the 2020 and 2021 financial statements from the AFR submitted and noted the following variances that met the criteria described above:

- *Operating cash increased by \$59,520 or 35.7% due to revenues exceeding expenditures in the current fiscal year.*
- *Net assets increased by \$55,214 or 13.4% due to revenues exceeding expenditures in the prior fiscal year.*
- *Research and promotion expenses decreased by \$31,507 or 17.4% due to the Board spending less on these expenditures in the current fiscal year.*

Board Meetings/Minutes

3. Obtain and inspect the board minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons.
 - 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.

Results:

Procedure performed without exception.

Bank Reconciliations

4. Obtain a listing of bank accounts for the fiscal period from management and management's representation that the listing is complete. For each of the bank accounts in the listing provided by management, obtain bank statements and reconciliations for all months in the fiscal period and observe that:
 - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged).

Results:

Per discussion with management of the Board, the corresponding secretary informally reconciles the bank account each month when the bank statement is received. Accordingly, we could not complete this procedure.

We recommend management prepare formal reconciliations each month that documents who prepared and the date of preparation.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).

Results:

Per discussion with management of the Board, the corresponding secretary informally reconciles the bank account each month when the bank statement is received. Accordingly, we could not complete this procedure.

We recommend management prepare formal reconciliations each month that documents a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed the reconciliation.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months at the statement closing date.

Results:

We reconciled the check register balance to the bank statement balance and noted no items outstanding for more than six months.

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

Results:

Because the Board does not prepare a formal reconciliation, we reconciled the check register balance to the bank statement balance without exception.

Receipts/Collections

- 5. Obtain and inspect written policies and procedures relating to employees' 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.

Results:

The Board has a corresponding secretary and an administrative officer to assist the Board with management and operations. Currently the corresponding secretary receives checks and makes deposits.

We recommend the Board consider segregating these procedures between the corresponding secretary and administrative officer.

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

Results:

The corresponding secretary receives checks, deposits checks, and records the checks in the Board's check register.

We recommend the Board consider segregating these procedures between the corresponding secretary and administrative officer.

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

Results:

The corresponding secretary receives checks, deposits checks, records the checks in the Board's check register, and reconciles the check register to the bank statement.

We recommend the Board consider segregating these procedures between the corresponding secretary and administrative officer.

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results:

The corresponding secretary is not covered by a bond or insurance policy for theft.

We recommend the Board consider obtaining a bond or insurance policy for theft.

- 7. Randomly select 5 deposit dates for each of the bank accounts (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 5 deposits for each bank account and:

- a) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- b) Trace the deposit slip total to the actual deposit per the bank statement.
- c) 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 the deposit is less than \$100).
- d) Trace the actual deposit per the bank statement to the general ledger.

Results:

We tested all six deposits made in during the year. For five of the deposits we observed the check stub that accompanied the check received. The Board did not have copies of the deposit slip but did have the deposit receipt from the bank for two of the deposits. For these two the deposit per the receipt did match the bank statement. The date received was not documented in the information provided so we were unable to determine if the deposits were made within one business day of collection. All six deposits per the bank statement agreed were traced to the general ledger.

We recommend the Board retain copies of all bank deposit slips, bank receipts, and any remittance documentation accompanying the checks received. Additionally we recommend the Board document when checks are received.

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.

Results:

The Board is not involved in collections. The Louisiana Department of Agriculture and Forestry collects funds utilized by Board (check-off programs) and submits these funds to the Board to be used for crawfish promotion and research.

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

Results:

Not applicable.

10. For levee districts, obtain independent confirmation of the tax amounts received from the appropriate parish Sherriff's offices. Observe that the confirmed amount agrees to the amount deposited by levee district.

Results:

Not applicable.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

11. Obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employees' job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Results:

Per discussion with management, all non-payroll disbursements (excluding travel reimbursements) are approved by the Board and checks are signed by two Board members.

- b) At least two employees are involved in processing and approving payments to vendors.

Results:

All non-payroll disbursements (excluding travel reimbursements) are approved by the Board and checks are signed by two Board members.

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Results:

The Board has a very limited number of vendors. All non-payroll disbursements (excluding travel reimbursements) are approved by the Board and checks are signed by two Board members.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results:

Observed that the employee/official responsible for signing checks either mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments without exception.

- 12. Obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements which are addressed in separate sections below) and obtain management's representation that the population is complete. Randomly select 5 disbursements, obtain supporting documentation (e.g. purchase requisition, invoices, receipts, receiving slips) for each transaction and:

Select random 5 expenses from the Expense Detail

- a) Observe that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #11, as applicable.

Results:

Procedure performed without exception.

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

- 13. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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. Randomly

select 2 monthly statements or combined statements for each card (for a debit card, randomly select 2 monthly bank statements), obtain supporting documentation, 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 (or electronically approved), by someone other than the authorized card holder.
- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results:

Not applicable. The Board does not utilize and credit cards, bank debit cards, fuel cards, or P-cards.

14. Obtain supporting documentation for all transactions included on the monthly statements or combined statements selected in #13 above. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results:

Not applicable. The Board does not utilize and credit cards, bank debit cards, fuel cards, or P-cards.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

15. Obtain from management a listing of all travel and travel-related expense reimbursements paid to employees and board members during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana in PPM49 (<https://www.doa.la.gov/pages/osp/travel/TravelPolicy.aspx>) or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results:

The five reimbursements selected involved reimbursements for miles driven by Board members to attend meetings. Per management, the reimbursements were accurate however there was no formal documentation or written approval for these reimbursements with the check stub and signed check.

We recommend the Board formally document mileage reimbursements and their approval utilizing an expense report.

Contracts

16. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

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

Results:

All contracts entered into by the Board were for professional services that are not required to be bid in accordance with the Louisiana Procurement Code. All contracts over \$2,000 were submitted to and approved by the Office of State Procurement.

b) Observe that the contract was approved by the governing body/board, if required by policy.

Results:

Procedure performed without exception.

c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.

Results:

Not applicable. None of the contracts selected for testing were amended.

d) Randomly select one payment from the fiscal period for each of the 5 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.

Results:

Procedure performed without exception.

Payroll and Personnel

17. Obtain a listing of employees employed during the fiscal period, and management's representation that the listing is complete. Randomly select 5 employees (or select all employees if less than 5), obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results:

Not applicable. The Board has no employees.

18. Randomly select 2 pay periods during the fiscal period. For the employees selected under #17 above, obtain attendance records and leave documentation for the pay period, and:

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

Results:

Not applicable. The Board has no employees.

- 19. Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees' cumulative leave records, and agree the pay rates to the employees' authorized pay rates in the employees' personnel files.

Results:

Not applicable. The Board has no employees.

- 20. 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.

Results:

Not applicable. The Board has no employees.

Ethics

- 21. Using the 5 randomly selected employees from procedure #17 under "Payroll and Personnel" above obtain ethics documentation from management, and:
 - a) Observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Results:

Not applicable. The Board has no employees.

- 22. Obtain a listing of board members from management. Randomly select 5 board members and observe documentation to demonstrate that required annual ethics training was completed

Results:

Procedure performed without exception.

Budget

23. Obtain a copy of the legally adopted budget, including all amendments, and the board minutes. Observe the minutes contain approval of the budget and amendments.

Results:

The Board is not required by law to adopt a budget however management does develop a budget for monitoring purposes.

24. 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.

Results:

Actual revenues were 11.4% less than budgeted revenues. Actual expenditures were 19.6% less than budgeted expenditures.

25. 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.

Results:

Procedure performed without exception.

Debt Service

26. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Results:

Not applicable. The Board has no debt.

27. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results:

Not applicable. The Board has no debt.

Sexual Harassment

28. Obtain and inspect the entity's written sexual harassment policies and procedures and observe that they address all requirements of R.S. 42:342-344, including agency responsibilities and prohibitions; annual employee training; and annual reporting requirements.

Results:

The Board does not have a sexual harassment policy.

We recommend the Board adopt a sexual harassment policy that addresses all requirements of R.S. 42:342-344. Procedure performed without exception.

29. Obtain a listing of employees/board members employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/board members, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/board member completed at least one hour of sexual harassment training during the calendar year.

Results:

We randomly selected five board members and obtained sexual harassment training documentation from management. For four board members we observed documentation that demonstrated the board members completed at least one hour of sexual harassment training during the 2020 calendar year. For one board member the documentation provided indicated the training was completed during the 2021 calendar year.

30. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results:

The Board does not have a sexual harassment policy and complaint procedures on its website.

We recommend the Board adopt a policy and post it and the complaint procedures on its website.

31. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.

Results:

The Board did not prepare the annual sexual harassment report.

We recommend the Board prepare this report prior to February 1 of each year.

Other

32. 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.

Results:

Not applicable. The Board did not have any misappropriations of funds or assets during the fiscal period.

33. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. This notice is available for download or print at www.la.gov/hotline.

Results:

The Board does not have a physical presence and conducts meetings at LDAF offices. The Board does have a website. The notice required by R.S. 24:523.1 was not posted on the website.

We recommend the Board add the notice required by R.S. 24:523.1 to its website.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Board and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Griffin & Furman, LLC

December 22, 2021

**LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD
STATE OF LOUISIANA**

Schedule of Findings

For the Year Ended June 30, 2021

2021-1 - Written Policies and Procedures

Procedure: Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories:

- b) Purchasing
- c) Disbursements
- d) Receipts / Collections
- f) Contracting
- h) Travel & Expense Reimbursement
- i) Ethics

Results: For b), c), and d) the Board's procedures are not formally documented due to the simplicity of operations and limited activity of the Board. For f), h), and i) the Board follows the State's policies in these areas.

Recommendation: For all areas listed above we recommend the Board consider formalizing policies and procedures through a written policies and procedures document.

2021-2 - Bank Reconciliations

Procedure: Obtain a listing of bank accounts for the fiscal period from management and management's representation that the listing is complete. For each of the bank accounts in the listing provided by management, obtain bank statements and reconciliations for all months in the fiscal period and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged).

Results: Per discussion with management of the Board, the corresponding secretary informally reconciles the bank account each month when the bank statement is received. Accordingly, we could not complete this procedure.

Recommendation: We recommend management prepare formal reconciliations each month that documents who prepared and the date of preparation.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).

Results: Per discussion with management of the Board, the corresponding secretary informally reconciles the bank account each month when the bank statement is received. Accordingly, we could not complete this procedure.

**LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD
STATE OF LOUISIANA**

Schedule of Findings

For the Year Ended June 30, 2021

Recommendation: *We recommend management prepare formal reconciliations each month that documents a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed the reconciliation.*

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

Results: *Because the Board does not prepare a formal reconciliation, we reconciled the check register balance to the bank statement balance without exception.*

Recommendation: *We recommend the Board prepare a formal reconciliation each month.*

2021-3 - Receipts/Collections

Procedure: Obtain and inspect written policies and procedures relating to employees' 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.*

Results: *The Board has a corresponding secretary and an administrative officer to assist the Board with management and operations. Currently the corresponding secretary receives checks and makes deposits.*

Recommendation: *We recommend the Board consider segregating these procedures between the corresponding secretary and administrative officer.*

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

Results: *The corresponding secretary receives checks, deposits checks, and records the checks in the Board's check register.*

Recommendation: *We recommend the Board consider segregating these procedures between the corresponding secretary and administrative officer.*

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

**LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD
STATE OF LOUISIANA**

Schedule of Findings

For the Year Ended June 30, 2021

***Results:** The corresponding secretary receives checks, deposits checks, records the checks in the Board's check register, and reconciles the check register to the bank statement.*

***Recommendation:** We recommend the Board consider segregating these procedures between the corresponding secretary and administrative officer.*

2021-4 - Receipts/Collections

***Procedure:** Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.*

***Finding:** Employees who have access to cash are not covered by a bond or insurance policy for theft.*

***Recommendation:** We recommend the Board consider acquiring a bond or insurance policy for theft for all employees who have access to cash.*

2021-5 - Receipts/Collections

***Procedure:** Randomly select 5 deposit dates for each of the bank accounts (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 5 deposits for each bank account and:*

- a) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- b) Trace the deposit slip total to the actual deposit per the bank statement.
- c) 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 the deposit is less than \$100).
- d) Trace the actual deposit per the bank statement to the general ledger.

***Results:** We tested all six deposits made in during the year. For five of the deposits we observed the check stub that accompanied the check received. The Board did not have copies of the deposit slip but did have the deposit receipt from the bank for two of the deposits. For these two the deposit per the receipt did match the bank statement. The date received was not documented in the information provided so we were unable to determine if the deposits were made within one business day of collection. All six deposits per the bank statement agreed were traced to the general ledger.*

**LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD
STATE OF LOUISIANA**

Schedule of Findings

For the Year Ended June 30, 2021

***Recommendation:** We recommend the Board retain copies of all bank deposit slips, bank receipts, and any remittance documentation accompanying the checks received. Additionally we recommend the Board document when checks are received.*

2021-6 – Travel and Travel-Related Expense Reimbursements (excluding card transactions)

***Procedure:** Obtain from management a listing of all travel and travel-related expense reimbursements paid to employees and board members during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:*

- a) *If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana in PPM49 (<https://www.doa.la.gov/pages/osp/travel/TravelPolicy.aspx>) or the U.S. General Services Administration (www.gsa.gov).*
- b) *If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.*
- c) *Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).*
- d) *Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.*

***Results:** The five reimbursements selected involved reimbursements for miles driven by Board members to attend meetings. Per management, the reimbursements were accurate however there was no formal documentation or written approval for these reimbursements with the check stub and signed check.*

***Recommendation:** We recommend the Board formally document mileage reimbursements and their approval utilizing an expense report.*

2021-7 – Sexual Harassment

***Procedure:** Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).*

***Finding:** The Board does not have a sexual harassment policy and complaint procedures on its website.*

***Recommendation:** We recommend the Board adopt a policy and post it and the complaint procedures on its website.*

**LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD
STATE OF LOUISIANA**

Schedule of Findings

For the Year Ended June 30, 2021

2021-8 – Sexual Harassment

Procedure: Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.

Finding: *The Board did not prepare the annual sexual harassment report.*

Recommendation: *We recommend the Board prepare this report prior to February 1 of each year.*

2021-9 – Other

Procedure: Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. This notice is available for download or print at www.la.gov/hotline.

Finding: *The Board does not have a physical presence and conducts meetings at LDAF offices. The Board does have a website. The notice required by R.S. 24:523.1 was not posted on the website.*

Recommendation: *We recommend the Board add the notice required by R.S. 24:523.1 to its website.*

Louisiana Crawfish Promotion & Research Board

PO Box 95004
Baton Rouge, LA 70895-9004
(225) 922-6200

December 22, 2021

Griffin & Furman, LLC
2270 7th Street, Suite 1
Mandeville, Louisiana 40777

Re: FY 2020-2021 Agreed Upon Procedures Schedule of Findings

Dear Mr. Furman,

In response to the above referenced Schedule of Findings, the Louisiana Crawfish Promotion and Research Board acknowledges the finding and agrees to take the following corrective actions.

2021-1 - Written Policies and Procedures

Procedure: Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories:

- b) Purchasing
- c) Disbursements
- d) Receipts / Collections
- f) Contracting
- h) Travel & Expense Reimbursement
- i) Ethics

Results: For b), c), and d) the Board's procedures are not formally documented due to the simplicity of operations and limited activity of the Board. For f), h), and i) the Board follows the State's policies in these areas.

Recommendation: For all areas listed above we recommend the Board consider formalizing policies and procedures through a written policies and procedures document.

Louisiana Crawfish Promotion and Research Board Corrective Action: The Board will review the recommendation and address accordingly.

2021-2 - Bank Reconciliations

Procedure: Obtain a listing of bank accounts for the fiscal period from management and management's representation that the listing is complete. For each of the bank accounts in the listing provided by management, obtain bank statements and reconciliations for all months in the fiscal period and observe that:

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged).

Results: *Per discussion with management of the Board, the corresponding secretary informally reconciles the bank account each month when the bank statement is received. Accordingly, we could not complete this procedure.*

Recommendation: *We recommend management prepare formal reconciliations each month that documents who prepared and the date of preparation.*

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).

Results: *Per discussion with management of the Board, the corresponding secretary informally reconciles the bank account each month when the bank statement is received. Accordingly, we could not complete this procedure.*

Recommendation: *We recommend management prepare formal reconciliations each month that documents a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed the reconciliation.*

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

Results: *Because the Board does not prepare a formal reconciliation, we reconciled the check register balance to the bank statement balance without exception.*

Recommendation: *We recommend the Board prepare a formal reconciliation each month.*

Louisiana Crawfish Promotion and Research Board Corrective Action: *The Board will review the recommendation and act accordingly.*

2021-3 - Receipts/Collections

Procedure: Obtain and inspect written policies and procedures relating to employees' 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.*

Results: *The Board has a corresponding secretary and an administrative officer to assist the Board with management and operations. Currently the corresponding secretary receives checks and makes deposits.*

Recommendation: *We recommend the Board consider segregating these procedures between the corresponding secretary and administrative officer.*

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

Results: *The corresponding secretary receives checks, deposits checks, and records the checks in the Board's check register.*

Recommendation: *We recommend the Board consider segregating these procedures between the corresponding secretary and administrative officer.*

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

Results: *The corresponding secretary receives checks, deposits checks, records the checks in the Board's check register, and reconciles the check register to the bank statement.*

Recommendation: *We recommend the Board consider segregating these procedures between the corresponding secretary and administrative officer.*

Louisiana Crawfish Promotion and Research Board Corrective Action: *The corresponding secretary is not hired by the Board. The corresponding secretary receives checks from LDAF and makes deposits. The administrative officer is under contract with the Board and does not manage the bank accounts. The Board approves their arrangement.*

2021-4 - Receipts/Collections

Procedure: Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Finding: *Employees who have access to cash are not covered by a bond or insurance policy for theft.*

Recommendation: *We recommend the Board consider acquiring a bond or insurance policy for theft for all employees who have access to cash.*

Louisiana Crawfish Promotion and Research Board Corrective Action: *The Board has no employees and only the Board can withdraw funds from the accounts. The corresponding secretary only deposits receipts from LDAF and has no authority over accounts.*

2021-5 - Receipts/Collections

Procedure: Randomly select 5 deposit dates for each of the bank accounts (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 5 deposits for each bank account and:

- a) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
- b) Trace the deposit slip total to the actual deposit per the bank statement.
- c) 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 the deposit is less than \$100).
- d) Trace the actual deposit per the bank statement to the general ledger.

Results: *We tested all six deposits made in during the year. For five of the deposits we observed the check stub that accompanied the check received. The Board did not have copies of the deposit slip but did have the deposit receipt from the bank for two of the deposits. For these two the deposit per the receipt did match the bank statement. The date received was not documented in the information provided so we were unable to determine if the deposits were made within one business day of collection. All six deposits per the bank statement agreed were traced to the general ledger.*

Recommendation: We recommend the Board retain copies of all bank deposit slips, bank receipts, and any remittance documentation accompanying the checks received. Additionally we recommend the Board document when checks are received.

Louisiana Crawfish Promotion and Research Board Corrective Action: The Board will review the recommendation and act accordingly.

2021-6 – Travel and Travel-Related Expense Reimbursements (excluding card transactions)

Procedure: Obtain from management a listing of all travel and travel-related expense reimbursements paid to employees and board members during the fiscal period and management’s representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana in PPM49 (<https://www.doa.la.gov/pages/osp/travel/TravelPolicy.aspx>) or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: The five reimbursements selected involved reimbursements for miles driven by Board members to attend meetings. Per management, the reimbursements were accurate however there was no formal documentation or written approval for these reimbursements with the check stub and signed check.

Recommendation: *We recommend the Board formally document mileage reimbursements and their approval utilizing an expense report.*

Louisiana Crawfish Promotion and Research Board Corrective Action: *After each Board meeting the mileage vouchers will be collected and saved.*

2021-7 – Sexual Harassment

Procedure: Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Finding: *The Board does not have a sexual harassment policy and complaint procedures on its website.*

Recommendation: *We recommend the Board adopt a policy and post it and the complaint procedures on its website.*

Louisiana Crawfish Promotion and Research Board Corrective Action: *This will be added to the Board's website.*

2021-8 – Sexual Harassment

Procedure: Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.

Finding: *The Board did not prepare the annual sexual harassment report.*

Recommendation: *We recommend the Board prepare this report prior to February 1 of each year.*

Louisiana Crawfish Promotion and Research Board Corrective Action: *This is currently being done. Each member of the Board watches a sexual harassment training video sent by the Department of Ag & Forestry and then signs the completion certificate. These are collected from each Board member.*

2021-9 – Other

Procedure: Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. This notice is available for download or print at www.la.la.gov/hotline.

Finding: *The Board does not have a physical presence and conducts meetings at LDAF offices. The Board does have a website. The notice required by R.S. 24:523.1 was not posted on the website.*

Recommendation: *We recommend the Board add the notice required by R.S. 24:523.1 to its website.*

Louisiana Crawfish Promotion and Research Board Corrective Action: *This is will be added to the website.*

Sincerely,

A handwritten signature in black ink that reads "Ron Harrell". The signature is written in a cursive style with a large initial "R".

Ron Harrell
Louisiana Crawfish Promotion and Research Board

**LOUISIANA CRAWFISH PROMOTION AND RESEARCH BOARD
STATE OF LOUISIANA**

Status of Prior Year Findings

June 30, 2021

Not applicable.