



## Report Highlights

# Office of Financial Institutions

## Executive Department

Audit Control # 80200034

Financial Audit Services • April 2021

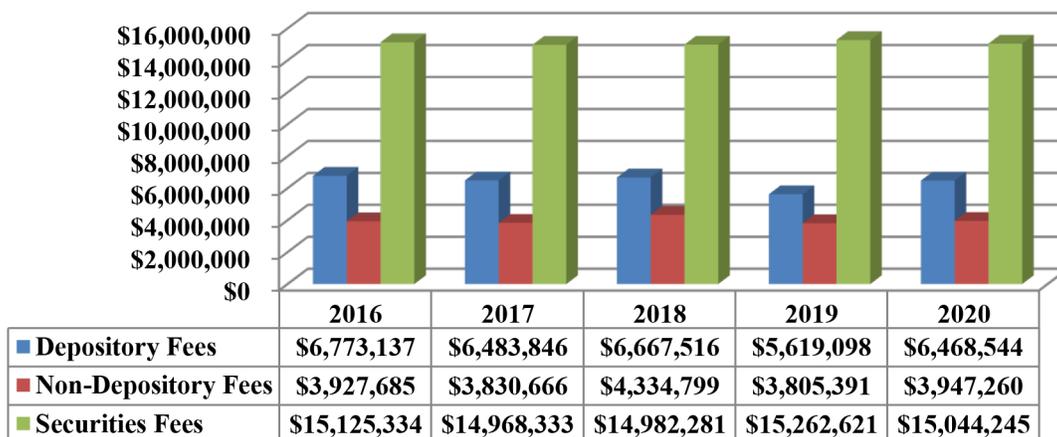
### Why We Conducted This Engagement

We performed certain procedures at the Office of Financial Institutions (OFI) to evaluate certain controls that OFI uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and to provide overall accountability over public funds for the period July 1, 2018, through June 30, 2020.

### What We Found

- OFI did not examine the records of 176 (29%) of 608 residential mortgage lenders at least once every three years as required by state law. This is the third consecutive engagement that required examinations of residential mortgage lenders were not performed.
- For the third consecutive engagement, OFI did not maintain adequate controls over payroll records. In a test of timesheets and related payroll records, auditors noted that two employee compensatory time entries were entered into the payroll system 117 business days after the pay period in which the compensatory leave was earned, five timesheets were approved by the supervisor one to six business days after disbursing payroll, and two timesheets were not dated by the supervisor to determine if approved prior to disbursing payroll. Also, a review of a system report disclosed 1,068 (40%) of 2,669 hours of compensatory time were entered into the payroll system between 31 and 396 business days after earning the compensatory leave.
- We determined that management has resolved the prior-report finding related to Noncompliance with Unclaimed Property Regulations.
- OFI’s revenue has remained fairly stable since fiscal year 2016 as the result of fairly consistent fees and regulated entities. The revenue for fiscal year 2020 totaled approximately \$25 million as of June 30, 2020, with 59% of the revenue provided by the Securities Division, the division with the largest number of regulated entities.

**Five-Year Revenue Trend**



Source: Business Objects Financial Reports and Annual Fiscal Reports

View the full report, including management’s responses, at [www.lla.la.gov](http://www.lla.la.gov).