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**LOUISIANA LICENSED PROFESSIONAL VOCATIONAL
REHABILITATION COUNSELORS BOARD OF EXAMINERS
STATE OF LOUISIANA**

**General Purpose Financial Statements
and Independent Auditor's Reports**

As of and for the Years Ended June 30, 1999 and 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 29 1999

**LOUISIANA LICENSED PROFESSIONAL VOCATIONAL
REHABILITATION COUNSELORS BOARD OF EXAMINERS**

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GOVERNING BOARD

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Mary Elvir

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George F. Delaune

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INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board Members of
Louisiana Licensed Professional Vocational
Rehabilitation Counselors Board of Examiners
State of Louisiana
Baton Rouge, Louisiana

I have audited the accompanying general purpose financial statements of the **LOUISIANA LICENSED PROFESSIONAL VOCATIONAL REHABILITATION COUNSELORS BOARD OF EXAMINERS**, a component unit of the State of Louisiana, as of and for the years ended June 30, 1999 and 1998, as listed in the Table of Contents. These financial statements are the responsibility of management of the Louisiana Licensed Professional Vocational Rehabilitation Counselors Board of Examiners. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the accompanying general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Licensed Professional Vocational Rehabilitation Counselors Board of Examiners as of June 30, 1999 and 1998, and the results of its operations for the years then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated September 17, 1999, on my consideration of the Louisiana Licensed Professional Rehabilitation Counselors Board of Examiners's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, and contracts.

George F. Delaune, C.P.A.

September 17, 1999

LOUISIANA LICENSED PROFESSIONAL VOCATIONAL
REHABILITATION COUNSELORS BOARD OF EXAMINERS
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP
COMBINED BALANCE SHEET
JUNE 30, 1999

	<u>Governmental Fund Type</u>	<u>Account Groups</u>	<u>Totals</u>
	<u>General</u>	<u>General Fixed Assets</u>	<u>(Memorandum Only)</u>
ASSETS			
Cash and cash equivalents	\$13,411		\$13,411
Fixed assets		\$7,754	7,754
TOTAL ASSETS	<u>\$13,411</u>	<u>\$7,754</u>	<u>\$21,165</u>
LIABILITIES AND FUND EQUITY			
<i>Liabilities:</i>			
Accounts payable	\$210		\$210
Payroll deductions and withholdings	453		453
Total Liabilities	<u>663</u>		<u>663</u>
<i>Fund Equity:</i>			
Investment in general fixed assets		\$7,754	7,754
Fund balances - Unreserved - undesignated	<u>12,748</u>		<u>12,748</u>
Total Fund Equity	<u>12,748</u>	<u>7,754</u>	<u>20,502</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$13,411</u>	<u>\$7,754</u>	<u>\$21,165</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA LICENSED PROFESSIONAL VOCATIONAL
 REHABILITATION COUNSELORS BOARD OF EXAMINERS
 GOVERNMENTAL FUND TYPE - GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 1999**

	Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>			
Licenses, permits and fees	\$26,000	\$23,550	(\$2,450)
Other revenues	60	348	288
Total Revenues	26,060	23,898	(2,162)
<i>Expenditures:</i>			
Current -			
Salaries and benefits	16,032	14,777	1,255
Travel	600		600
Operating services	10,500	10,178	322
Supplies	1,100	598	502
Professional services	9,700	44	9,656
Capital outlays	1,000	281	719
Total Expenditures	38,932	25,878	13,054
<i>Excess of Revenues (Expenditures)</i>	(12,872)	(1,980)	10,892
Fund Balance - July 1, 1998	4,910	14,728	9,818
FUND BALANCE - June 30, 1999	(\$7,962)	\$12,748	\$20,710

The accompanying notes are an integral part of this statement.

LOUISIANA LICENSED PROFESSIONAL VOCATIONAL
REHABILITATION COUNSELORS BOARD OF EXAMINERS
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUPS
COMBINED BALANCE SHEET
JUNE 30, 1998

	<u>Governmental Fund Type</u>	<u>Account Groups</u>	<u>Totals (Memorandum Only)</u>
ASSETS	<u>General</u>	<u>General Fixed Assets</u>	
Cash and cash equivalents	\$15,443		\$15,443
Fixed assets		\$7,473	7,473
TOTAL ASSETS	<u>\$15,443</u>	<u>\$7,473</u>	<u>\$22,916</u>
 LIABILITIES AND FUND EQUITY			
<i>Liabilities:</i>			
Accounts payable	\$269		\$269
Payroll deductions and withholdings	446		446
Total Liabilities	<u>715</u>		<u>715</u>
<i>Fund Equity:</i>			
Investment in general fixed assets		\$7,473	7,473
Fund balances - Unreserved - undesignated	<u>14,728</u>		<u>14,728</u>
Total Fund Equity	<u>14,728</u>	<u>7,473</u>	<u>22,201</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$15,443</u>	<u>\$7,473</u>	<u>\$22,916</u>

The accompanying notes are an integral part of this statement.

**LOUISIANA LICENSED PROFESSIONAL VOCATIONAL
 REHABILITATION COUNSELORS BOARD OF EXAMINERS
 GOVERNMENTAL FUND TYPE - GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
 BUDGET (GAAP BASIS) AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 1998**

	Budget	Actual	Variance Favorable (Unfavorable)
<i>Revenues:</i>			
Licenses, permits and fees	\$25,850	\$24,602	(\$1,248)
Other revenues		68	68
Total Revenues	<u>25,850</u>	<u>24,670</u>	<u>(1,180)</u>
<i>Expenditures:</i>			
Current -			
Salaries and benefits	14,495	13,877	618
Travel	600		600
Operating services	10,250	10,081	169
Supplies	1,100	645	455
Professional services	9,700	12,076	(2,376)
Capital outlays	1,000		1,000
Total Expenditures	<u>37,145</u>	<u>36,679</u>	<u>466</u>
<i>Excess of Revenues (Expenditures)</i>	(11,295)	(12,009)	(714)
Fund Balance - July 1, 1997	<u>16,205</u>	<u>26,737</u>	<u>10,532</u>
FUND BALANCE - June 30, 1998	<u><u>\$4,910</u></u>	<u><u>\$14,728</u></u>	<u><u>\$9,818</u></u>

The accompanying notes are an integral part of this statement.

LOUISIANA LICENSED PROFESSIONAL VOCATIONAL
REHABILITATION COUNSELORS BOARD OF EXAMINERS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

NOTE 1 - INTRODUCTION

The Louisiana Licensed Professional Vocational Rehabilitation Counselors Board of Examiners was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:3441-3452 and began operations in April 1989. The Board is under the control of the Department of Health and Hospitals and a component unit of the State of Louisiana and is an integral part of such reporting entity. The board is composed of five (5) members appointed by the Governor of Louisiana, who serve four (4) year terms. Board members are not compensated for Board meetings they attend; but are reimbursed actual travel expenses as authorized by Louisiana Revised Statute 37:3444(D). The Board is charged with the responsibility of regulating the rehabilitation counseling profession in the state. The Board administers examinations; issues, suspends, and/or revokes licenses of technicians and apprentices; and determines technical knowledge necessary to protect the public welfare. The Board's office is located in Baton Rouge, Louisiana, and employs one administrative personnel. The Board's operations are funded entirely through annual self-generated revenues.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The Codification of Governmental Accounting and Financial Reporting Standards and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The Louisiana Licensed Professional Vocational Rehabilitation Counselors Board of Examiners prepares its financial statements in accordance with the standards established by the GASB.

Reporting Entity

GASB Codification Section 2100 and GASB Statement 14, "The Financial Reporting Entity," have defined the governmental reporting entity to be the State of Louisiana. The Louisiana Licensed Professional Vocational Rehabilitation Counselors Board of Examiners is considered a component

LOUISIANA LICENSED PROFESSIONAL VOCATIONAL
REHABILITATION COUNSELORS BOARD OF EXAMINERS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

unit of the State of Louisiana because the state exercises oversight responsibility in that the governor appoints the board members, and public service is rendered within the state's boundaries. The accompanying general purpose financial statements present information only as to the transactions of the Louisiana Licensed Professional Vocational Rehabilitation Counselors Board of Examiners, a component unit of the State of Louisiana.

Annually the State of Louisiana issues a general purpose financial statement which includes the activity contained in the accompanying financial statement. The general purpose financial statement is issued by the Louisiana Division of Administration-Office of Statewide Reporting and Accounting Policy and audited by the Louisiana Legislative Auditor.

Fund Accounting

The accounts of the Louisiana Licensed Professional Vocational Rehabilitation Counselors Board of Examiners are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Revenues are accounted for in these funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The funds presented in the accompanying financial statements are described as follows:

General Fund

The General Fund is the general operating fund of the Board and is classified as a governmental fund. It accounts for the Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt.

Account Group

The account group is not a "fund". It is concerned only with the measurement of financial position, not with measurement of results of operations. Fixed assets used in the governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds.

LOUISIANA LICENSED PROFESSIONAL VOCATIONAL
REHABILITATION COUNSELORS BOARD OF EXAMINERS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses as appropriate, are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The modified accrual basis of accounting is used by the General Fund. The General Fund uses the following practices in recording revenues and expenditures:

Revenues

Licenses and fees are recorded in the year these revenues are earned.

Interest income is recorded when received.

Substantially all other revenues are recorded when they become available.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for accumulated annual and sick leave, which is recognized when paid.

Budget Practices

The Board prepares its budget on the modified accrual basis of accounting and all appropriations contained in the budget lapse at year end.

The proposed budgets are prepared by the administrator, adopted by the Board, and made available to the Department of Health and Hospitals by January 1st of each year in compliance with Louisiana Revised Statute 39:1334 and 1335. The executive committee has the authority to make changes or amendments within various budget classifications. Budgeted amounts included in the accompanying financial statements include the original adopted budget.

LOUISIANA LICENSED PROFESSIONAL VOCATIONAL
REHABILITATION COUNSELORS BOARD OF EXAMINERS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

Encumbrances

Encumbrance accounting is used when purchase orders are recorded in order to reserve that portion of the applicable appropriation. The Board does not follow the encumbrance method of accounting.

Cash and Cash Equivalents

Cash includes cash in a demand deposit account at year end. Under state law, the Board may deposit funds with a bank organized under Louisiana law or of any other state of the United States, or under the laws of the United States. Furthermore, the Board may invest in certificates of deposit of state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Inventories

Inventories for supplies are immaterial and are recorded as expenditures when purchased.

Fixed Assets

Fixed assets are recorded as expenditures at the time purchased and the related assets are capitalized (reported) in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

Compensated Absences

The Board does not have a vacation and sick leave policy.

Fund Equity

The unreserved-undesignated fund balances for governmental funds represent the amount available for budgeting future operations. Reservations and designations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance

LOUISIANA LICENSED PROFESSIONAL VOCATIONAL
REHABILITATION COUNSELORS BOARD OF EXAMINERS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures.

Total Column on Balance Sheet

Total columns on the balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 1999 and 1998, the Board has cash (book balances) totaling \$15,443 and \$27,272, respectively, in demand deposits.

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities must be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the state treasurer.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Board that the fiscal agent has failed to pay deposited funds upon demand.

At June 30, 1999 and 1998, the Board has \$14,014 and \$15,449 in demand deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

LOUISIANA LICENSED PROFESSIONAL VOCATIONAL
REHABILITATION COUNSELORS BOARD OF EXAMINERS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets composed of furniture and office equipment follows:

	Total
Balance, July 1, 1997	\$ 8,391
Additions	
Deletions	(918)
Balance, June 30, 1998	7,473
Additions	281
Deletions	
Balance, June 30, 1999	\$ 7,754

NOTE 5 - PENSION PLAN

LASERS

From July 1, 1997 until August 15, 1998, the employee of the Board was a member of the Louisiana State Employees Retirement System ("System"), a multiple-employer, public employee retirement system (PERS) controlled and administered by a separate board of trustees.

All full time employees are eligible to participate in the System. Benefits vest with ten years of service. At retirement age, employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 month average salary multiplied by their years of credited service. Vested employees may retire at (a) any age with thirty years of service, (b) age 55 with twenty-five years of service. The System also provides death and disability benefits. Benefits are established by state statute. The system issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana State Employees' Retirement System.

In addition to the employee contribution withheld at 7.5% of gross salary, the Board contributes an additional percentage of gross salary to the System (13% from July 1, 1997 to June 30, 1998 and 12.4% from July 1, 1998 to June 30, 1999). Contributions to the System during fiscal years ended

LOUISIANA LICENSED PROFESSIONAL VOCATIONAL
REHABILITATION COUNSELORS BOARD OF EXAMINERS
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

June 30, 1998 and 1999 were funded through employee and employer contributions of \$2,292 and \$301, respectively. The total payroll of the Board, fully covered by the system, was \$11,181 and \$1,510, respectively for years ended June 30, 1998 and 1999. Under present statutes, the Board does not guarantee any of the benefits granted by the system.

Federal Social Security

On August 15, 1998, the Board's employee transferred to the social security system.

NOTE 6 - LITIGATION AND CLAIMS

There were no judgments, claims or similar contingencies pending against the Board at June 30, 1998 and 1999.

NOTE 7 - LEASES

The Board leases office space under an operating lease on a monthly basis of \$260 per month covering office space and utilities. The month to month verbal rental agreement can be canceled with a thirty (30) day notice by either party.

NOTE 8 - FEDERAL FINANCIAL ASSISTANCE

The Board received no federal funds during the fiscal years ended June 30, 1999 and 1998.

NOTE 9 - COMPENSATION PAID TO BOARD MEMBERS

The schedule of per diem payments to Board Members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members serve without compensation as provided by Louisiana Revised Statute 37:3444(D).

OTHER REPORTS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain a report on compliance with laws and regulations and on internal control over financial reporting as required by *Government Auditing Standards*, issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material misstatements in internal control or compliance matters that would be material to the presented financial statements.

George F. Delaune

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF THE
GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board Members of
Louisiana Licensed Professional Vocational
Rehabilitation Counselors Board of Examiners
State of Louisiana
Baton Rouge, Louisiana

I have audited the general purpose financial statements of the **LOUISIANA LICENSED PROFESSIONAL VOCATIONAL REHABILITATION COUNSELORS BOARD OF EXAMINERS**, a component unit of the State of Louisiana, as of and for the years ended June 30, 1999 and 1998, and have issued my report thereon dated September 17, 1999. I conducted my audit in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*.

Compliance

As part of obtaining reasonable assurance about whether the Louisiana Licensed Professional Vocational Rehabilitation Counselors Board of Examiners's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as item 99-1 and 99-2.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Louisiana Licensed Professional Vocational Rehabilitation Counselors Board of Examiners's internal control over financial reporting to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect Louisiana Licensed Professional Vocational Rehabilitation Counselors Board of Examiners's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 99-3 and 99-4.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe none of the reportable conditions described above is a material weakness.

This report is intended for the information and use of the Louisiana Licensed Professional Vocational Rehabilitation Counselors Board of Examiners and its management. However, this report is a matter of public record and its distribution is not limited.

George F. Delaune, CPA

September 17, 1999

LOUISIANA LICENSED PROFESSIONAL VOCATIONAL
REHABILITATION COUNSELORS BOARD OF EXAMINERS
SCHEDULE OF FINDINGS
YEARS ENDED JUNE 30, 1999 AND 1998

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Louisiana Licensed Professional Vocational Rehabilitation Counselors Board of Examiners.
2. Four reportable conditions were disclosed during the audit of the general purpose financial statements.
3. Two instances of noncompliance which are considered nonmaterial to the general purpose financial statements of Louisiana Licensed Professional Vocational Rehabilitation Counselors Board of Examiners were disclosed during the audit.
4. There were no federal awards received by Louisiana Licensed Professional Vocational Rehabilitation Counselors Board of Examiners.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

Noncompliance

99-1 Sales Tax Paid on Invoices

Condition: During the years covered by my audit, the Board paid \$356.15 in sales taxes on \$4,451.88 spent on supplies. These supplies amounted to more than 50% of the total expenditure for this two year period.

Criteria: Under State and Local Sales Tax Regulations, all governmental agencies are exempt from the payment of sales taxes.

Effect: Over expenditure of funds.

Cause: Internal control procedures were not sufficient to prevent the payment of sales taxes included with invoices for supplies and materials.

Recommendation: The Board should cease paying sales taxes on invoices and should modify their internal control procedures to prevent such mistakes in the future.

Response: Management concurred with the recommendation and will cease paying sales taxes.

Noncompliance

99-2 State Purchasing

Condition: The Board has consistently contracted for the printing of annual directories with a printing company that is not listed with State Purchasing. In addition, the Board paid sales taxes on these invoices.

Criteria: Louisiana Revised Statute 43:1 requires all boards to contact State Purchasing under the Division of Administration when purchasing supplies in excess of \$500.

Effect: Violation of revised statute.

Cause: Internal control procedures were not sufficient to prevent the purchasing without first contacting State Purchasing.

Recommendation: The Board should revise its internal control procedures that will require the agency to contact State Purchasing when acquiring supplies in excess of \$500.00.

Response: Management concurred with the recommendation and will change its procedures for purchasing supplies.

Internal Control

99-3 Computer Software Setup and Training

Condition: On July 1, 1995, the Board purchased QuickBooks for their accounting system. During my examination, I reviewed the setup and processing of data and found numerous errors that required extensive corrections before I was able to begin the audit.

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Criteria: Louisiana Revised Statutes requires the all agencies maintain accounting records in such a manner as to provide evidence of legal compliance and the preparation of annual financial statements.

Effect: Violation of revised statutes.

Cause: The QuickBooks accounting system was not properly setup and the administrative assistants were not properly trained in processing data.

Recommendation: I have made the necessary corrections to the setup of QuickBooks; however, the Board should establish written procedures for the processing of data by providing adequate training for the administrative assistant.

Response: Management concurred with the recommendation and has given the administrative assistant the authority to hire a computer consultant.

Internal Control

99-4 Budget Monitoring

Condition: The adopted budgets were not properly recorded in QuickBooks; therefore, any financial statements presenting budget to actual comparison were inaccurate.

Criteria: Louisiana Revised Statutes requires the all agencies maintain accounting records in such a manner as to provide evidence of legal compliance and the preparation of annual financial statements.

Effect: Violation of revised statutes.

Cause: The QuickBooks accounting system was not properly setup and the administrative assistants were not properly trained in processing data.

Recommendation: I have made the necessary corrections to the setup of QuickBooks; however, the Board should establish written procedures for the processing of data by providing adequate training for the administrative assistant.

Response: Management concurred with the recommendation and has given the administrative assistant the authority to hire a computer consultant.



Louisiana Licensed Professional Vocational Rehabilitation Counselors
BOARD OF EXAMINERS

CORRECTIVE ACTION PLAN

September 17, 1999

Legislative Auditor
State of Louisiana

Louisiana Licensed Professional Vocational Rehabilitation Counselors Board of Examiners respectfully submits the following corrective action plan for the years ended June 30, 1999 and 1998.

Name and address of independent public accounting firm: George F. Delaune, CPA, APC; 7663 Anchor Drive; Ventress, LA 70783-4120.

Audit period: July 1, 1997 to June 30, 1999

The findings from the June 30, 1999 and 1998, schedule of findings are discussed below. The findings are numbered consistently with the number assigned in the schedule.

Section A of the schedule, Summary of Audit Results, does not include findings and is not addressed.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

Noncompliance

99-1 Sales Tax Paid on Invoices

Recommendation: The Board should cease paying sales taxes on invoices and should modify their internal control procedures to prevent such mistakes in the future.

Action Taken: The administrative assistant has established procedures to prevent the agency from paying sales taxes on invoices.

P.O. Box 41594
Baton Rouge, LA 70835-1594

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Fax: (225) 924-5073

Noncompliance

99-2 State Purchasing

Recommendation: The Board should revise its internal control procedures that will require the agency to contact State Purchasing when acquiring supplies in excess of \$500.00.

Action Taken: Management has changed its procedures for purchasing supplies.

Internal Control

99-3 Computer Software Setup and Training

Recommendation: I have made the necessary corrections to the setup of QuickBooks; however, the Board should establish written procedures for the processing of data by providing adequate training for the administrative assistant.

Action Taken: The administrative assistant has contacted a software consultant for assistance.

Internal Control

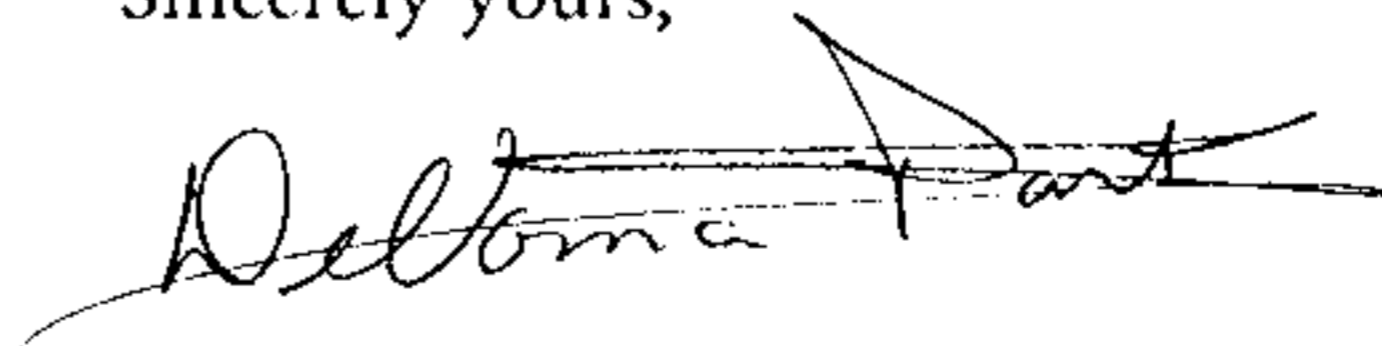
99-4 Budget Monitoring

Recommendation: I have made the necessary corrections to the setup of QuickBooks; however, the Board should establish written procedures for the processing of data by providing adequate training for the administrative assistant.

Action Taken: The administrative assistant has contacted a software consultant for assistance.

If the Legislative Auditor has questions regarding this plan, please call DeVonna Ponthieu, Administrative Assistant at (225) 924-4935.

Sincerely yours,



DeVonna Ponthieu, Administrative Assistant