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**LOUISIANA STATE BOARD OF
EXAMINERS IN DIETETICS AND NUTRITION
DEPARTMENT OF HEALTH AND HOSPITALS
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 OCT 06 1999

**LOUISIANA STATE BOARD OF
EXAMINERS IN DIETETICS AND NUTRITION
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Jacinda B. Barrios, LDN
Elizabeth L. Guinn, LDN
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Suzanne L. Pevey, Administrator

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GOVERNMENT FINANCE

OFFICERS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Board Members of
Louisiana State Board of
Examiners in Dietetics and Nutrition
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

I have audited the accompanying general purpose financial statements of the **LOUISIANA STATE BOARD OF EXAMINERS IN DIETETICS AND NUTRITION**, 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 State Board of Examiners in Dietetics and Nutrition. 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 State Board of Examiners in Dietetics and Nutrition 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 24, 1999, on my consideration of the Louisiana State Board of Examiners in Dietetics and Nutrition' internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, and contracts.

George F. Delaune, CPA

September 24, 1999

LOUISIANA STATE BOARD OF
EXAMINERS IN DIETETICS AND NUTRITION
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP
COMBINED BALANCE SHEET
JUNE 30, 1999

	Governmental Fund Type	Account Group	Totals
	General	General Fixed Assets	(Memorandum Only)
ASSETS			
Cash and cash equivalents	\$ 23,481		\$ 23,481
Fixed assets		\$ 8,746	
TOTAL ASSETS	\$ 23,481	\$ 8,746	\$ 23,481
LIABILITIES AND FUND EQUITY			
<i>Liabilities:</i>			
Accounts payable	\$ 3,135		\$ 3,135
Total Liabilities	3,135		3,135
<i>Fund Equity:</i>			
Investment in general fixed assets		\$ 8,746	8,746
Fund balances - Unreserved - undesignated	20,346		20,346
Total Fund Equity	20,346	8,746	29,092
TOTAL LIABILITIES AND FUND EQUITY	\$ 23,481	\$ 8,746	\$ 32,227

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF
 EXAMINERS IN DIETETICS AND NUTRITION
 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

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Revenues:</i>			
Licenses, permits and fees	\$ 61,650	\$ 32,170	\$ (29,480)
Interest earnings		878	878
Other revenues		119	119
Total Revenues	<u>61,650</u>	<u>33,167</u>	<u>(28,483)</u>
<i>Expenditures:</i>			
Current -			
Salaries and benefits	17,373	23,054	(5,681)
Travel	5,000	3,955	1,045
Operating services	17,230	13,716	3,514
Supplies	1,000	1,301	(301)
Professional services	15,200	3,934	11,266
Capital outlays	2,000		2,000
Total Expenditures	<u>57,803</u>	<u>45,960</u>	<u>11,843</u>
<i>Excess of Revenues (Expenditures)</i>	3,847	(12,793)	(16,640)
Fund Balance - July 1, 1998	<u>33,139</u>	<u>33,139</u>	
FUND BALANCE - June 30, 1999	<u><u>\$ 36,986</u></u>	<u><u>\$ 20,346</u></u>	<u><u>\$ (16,640)</u></u>

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF
EXAMINERS IN DIETETICS AND NUTRITION
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP
COMBINED BALANCE SHEET
JUNE 30, 1998

	Governmental Fund Type	Account Group	Totals
ASSETS	General	General Fixed Assets	(Memorandum Only)
Cash and cash equivalents	\$ 33,743		\$ 33,743
Fixed assets		\$ 8,746	8,746
TOTAL ASSETS	\$ 33,743	\$ 8,746	\$ 42,489
LIABILITIES AND FUND EQUITY			
<i>Liabilities:</i>			
Accounts payable	\$ 604		\$ 604
Total Liabilities	604		604
<i>Fund Equity:</i>			
Investment in general fixed assets		\$ 8,746	8,746
Fund balances -			
Unreserved - undesignated	33,139		33,139
Total Fund Equity	33,139	8,746	41,885
TOTAL LIABILITIES AND FUND EQUITY	\$ 33,743	\$ 8,746	\$ 42,489

The accompanying notes are an integral part of this statement.

**LOUISIANA STATE BOARD OF
 EXAMINERS IN DIETETICS AND NUTRITION
 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	\$ 60,000	\$ 39,214	\$ (20,786)
Interest earnings	1,050	504	(546)
Other revenues	200	199	(1)
	61,250	39,917	(21,333)
<i>Expenditures:</i>			
Current -			
Salaries and benefits	16,454	13,631	2,823
Travel	7,000	4,293	2,707
Operating services	18,430	13,673	4,757
Supplies	7,000	1,022	5,978
Professional services	1,000	5,136	(4,136)
Capital outlays	2,000	327	1,673
	51,884	38,082	13,802
<i>Excess of Revenues (Expenditures)</i>	9,366	1,835	(7,531)
Fund Balance - July 1, 1997	31,304	31,304	
FUND BALANCE - June 30, 1998	\$ 40,670	\$ 33,139	\$ (7,531)

The accompanying notes are an integral part of this statement.

LOUISIANA STATE BOARD OF
EXAMINERS IN DIETETICS AND NUTRITION
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

NOTE 1 - INTRODUCTION

The Louisiana State Board of Examiners in Dietetics and Nutrition was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 37:3081-3093 by Act 574 of the 1987 Regular Session of the Louisiana Legislature. 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 seven (7) members appointed by the Governor of Louisiana, who serve without compensation for three (3) year terms. Board members are selected from a list of names submitted by the Louisiana Dietetic Association, the Louisiana State Nurses Association, the Louisiana Commissioner of Agriculture and Forestry, and the Louisiana State Medical Society. 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 speech pathologists and audiologists; and determines technical knowledge necessary to protect the public welfare. The Board's office is located in Baton Rouge, Louisiana, and employs 2 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 State Board of Examiners in Dietetics and Nutrition 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 State Board of

LOUISIANA STATE BOARD OF
EXAMINERS IN DIETETICS AND NUTRITION
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

Examiners in Dietetics and Nutrition is considered a component 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 State Board of Examiners in Dietetics and Nutrition, 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 State Board of Examiners in Dietetics and Nutrition 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 Groups

The Board has one account group which is not "funds". 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 STATE BOARD OF
EXAMINERS IN DIETETICS AND NUTRITION
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. Budget amendments require the approval of the board. Budgeted amounts included in the accompanying financial statements include the original adopted budget. Formal budget integration is employed as a management control device during the year.

LOUISIANA STATE BOARD OF
EXAMINERS IN DIETETICS AND NUTRITION
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

Cash includes one demand deposit account. 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.

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 compensate its employees for vacation or sick leave.

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

LOUISIANA STATE BOARD OF
EXAMINERS IN DIETETICS AND NUTRITION
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

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 \$23,481 and \$33,743, 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.

At June 30, 1999 and 1998, the Board has \$24,358 and \$36,044 in demand deposits (collected bank balances). These deposits are secured from risk by federal deposit insurance.

NOTE 4 - CHANGES IN GENERAL FIXED ASSETS

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

Balance, July 1, 1997	\$ 8,419
Additions	327
Deletions	
Balance, June 30, 1998	<u>8,746</u>
Additions	
Deletions	
Balance, June 30, 1999	<u><u>\$ 8,746</u></u>

**LOUISIANA STATE BOARD OF
EXAMINERS IN DIETETICS AND NUTRITION
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998**

NOTE 5 - PENSION PLAN

The majority of employees of the Board are members 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; P. O. Box 44213; Baton Rouge, LA 70804.

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 the fiscal year ended June 30, 1999 and 1998 were funded through employee and employer contributions of \$2,334 and \$1,390, respectively. The total payroll of the Board, fully covered by the system, was \$11,729 and \$6,779, respectively for years ended June 30, 1999 and 1998, respectively. Under present statutes, the Board does not guarantee any of the benefits granted by the system.

NOTE 6 - LEASES

The Board, jointly with Louisiana State Board of Certified Social Work Examiners and Louisiana State Board of Examiners in Speech-Language Pathology and Audiology, share office space under an operating lease on a monthly basis of \$1,666 per month which expires on May 31, 2001.

The Board's allocated share of rent expenditure for the years ended June 30, 1999 and 1998 was \$6,664 and \$6,664, respectively.

**LOUISIANA STATE BOARD OF
 EXAMINERS IN DIETETICS AND NUTRITION
 STATE OF LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 1999 AND 1998**

Future minimum lease payments under this lease are as follows:

Year Ending June 30,	Amount
2000	\$ 6,664
2001	6,109

Since the payment schedule is considered systematic and rational under GASB Statement No. 13, rental expenditure is based on the relevant lease agreement and not in accordance with lease terms as required by GASB Statement No. 13.

NOTE 7 - LITIGATION AND CLAIMS

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

NOTE 8 - FEDERAL FINANCIAL ASSISTANCE

The Board received no federal funds during the fiscal years 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 37:3084 (J).

LOUISIANA STATE BOARD OF
EXAMINERS IN DIETETICS AND NUTRITION
STATE OF LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1999 AND 1998

NOTE 10 - OTHER MATTERS

As mentioned in Note 6 - Leases, the Board shares office space with two (2) state boards. These three (3) boards also share employees as well as certain office expenditures, such as janitorial, security, copy machine and utilities. Salaries are allocated to each of the three (3) boards based on actual time spent for each board.

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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 AUDITOR'S 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 State Board of
Examiners in Dietetics and Nutrition
Department of Health and Hospitals
State of Louisiana
Baton Rouge, Louisiana

I have audited the general purpose financial statements of the LOUISIANA STATE BOARD OF EXAMINERS IN DIETETICS AND NUTRITION, 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 24, 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 State Board of Examiners in Dietetics and Nutrition'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 four instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompany schedule of findings as items 99-1, 99-2, 99-3, 99-4, and 99-5

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Louisiana State Board of Examiners in Dietetics and Nutrition'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 State Board of Examiners in Dietetics and Nutrition's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statement. Reportable conditions are described in the accompanying schedule of findings as items 99-3, 99-4, and 99-5.

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 over financial reporting 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 State Board of Examiners in Dietetics and Nutrition and its management. By provisions of state law, this report is a public document, and it has been distributed to appropriate officials.

George F. Delaune, CPA

September 24, 1999

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LOUISIANA STATE BOARD OF
EXAMINERS IN DIETETICS AND NUTRITION
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 State Board of Examiners in Dietetics and Nutrition.
2. Five reportable conditions were disclosed during the audit of the general purpose financial statements.
3. Four instances of noncompliance were disclosed during the audit of the general purpose financial statements.
4. There were no federal awards received by Louisiana State Board of Examiners in Dietetics and Nutrition.

B. FINDINGS--FINANCIAL STATEMENTS AUDIT

Noncompliance

99-1 Fiscal Agent

Condition: The agency could not produce a current fiscal agent agreement.

Criteria: State law requires all agencies to negotiate a fiscal agent contract with a bank for the depository of funds.

Effect: Violation of state law.

Cause: The Administrator was not aware of this requirement.

Recommendation: The Board should seek proposals from local banks in accordance with the Interim Emergency Board regulations.

Response: Management concurred with the recommendation and will seek proposals from local banks for the depository of agency funds.

Noncompliance

99-2 Budget Monitoring

Condition: Budgeted revenues exceeded actual revenues by more than 5%.

Criteria: Louisiana Revised Statute 39:1338 requires the agency to adjust the budget when revenues or expenditures increase or decrease by 5% from the prior submitted budget.

Effect: Violation of state law.

Cause: The Administrator was not aware of this requirement.

Recommendation: The Board should establish procedures that will monitor the budget on a quarterly basis and amend the budget when required by LRS 39:1338.

Response: Management concurred with the recommendation and will establish procedures to monitor and amend the budget when required by LRS 39:1338.

Noncompliance and Internal Control

99-3 Sales Tax Paid on Invoices

Condition: During the years covered by the my audit, the Board paid sales tax on invoices for supplies and materials. The amount paid could not be determined.

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 procedures that would require deducting the sales tax from the invoice and notifying the vendor of the exemption.

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

Noncompliance and Internal Control

99-4 State Travel Regulations

Condition: My audit of travel reimbursements found the following irregularities:

- Claims filed after 30 days
- Mileage not supported by odometer readings and miles in excess of "Travel Mileage" table.
- Insufficient documentation/explanation to support expenses claimed.
- Without sufficient detail, some expenses do not appear to be reasonable.

Criteria: Policy and Procedure Memorandum 49 (PPM 49) establishes guidelines that should be followed by all state agencies.

Effect: Violation of state travel regulations.

Cause: Internal controls were insufficient.

Recommendation: The Board should adopt a strict policy and establish procedures for board members, employees, and others who submit expenses for reimbursement that follow all requirements of the PPM 49.

Response: Management concurred with the recommendation and will correct its procedures to have reimbursements completed in accordance with PPM 49.

Internal Control

99-5 Accounting System

Condition: The agency has contracted with an accountant to record its accounting transactions, complete financial statements, complete payroll returns, and reconcile bank accounts on a quarterly basis. In addition, the accountant completes other financial forms as requested which includes the Annual Financial Report to Office of Statewide Reporting.

During my examination, I made the following adjustments:

- Recorded receipts at year end, even though the deposit was dated in June.
- Fixed asset acquisitions were recorded on the Balance Sheet; consequently, expenditures had to be adjusted.
- Several reclassifications were made because of posting errors to wrong line items.

The entries made by the accountant on quarterly basis were not dated to reflect the date of the transactions; instead most of the transactions were dated as of the end of the quarter.

When I asked the administrator if she reviewed the general ledger on a quarterly basis, she stated that she was not provided one by the accountant and did not realize the importance of obtaining one.

Criteria: State law requires all agencies to maintain accounting records that enable government officials to make proper decisions concerning operations and projections.

Effect: Violation of state law and improper dating made my examination of transactions time consuming.

Cause: The Administrator was not aware of these problems or deficiencies.

Recommendation: Upon my suggestion, the administrator has purchased QuickBooks to perform in-house posting of transactions. Since the administrator is also administrator to two other boards within the same office, it is my recommendation that the three boards consider hiring an employee qualified as an accountant to perform all daily accounting functions. Then hire an outside accountant on a quarterly basis to review these daily transaction postings and give advice to the administrator and boards.

Response: Management will consider this recommendation and make a decision at a later date.



STATE BOARD OF EXAMINERS IN DIETETICS AND NUTRITION

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11930 Perkins Road, Suite B
Baton Rouge, Louisiana 70810
Telephone: 225-763-5490
Fax: 225-763-5400

CORRECTIVE ACTION PLAN

September 29, 1999

Legislative Auditor
State of Louisiana

Louisiana State Board of Examiners in Dietetics and Nutrition 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 Fiscal Agent

Recommendation: The Board should seek proposals from local banks in accordance with the Interim Emergency Board regulations.

Action Taken: With the assistance of the auditor, we are preparing the requests for proposal for a fiscal agent.

Noncompliance

99-2 Budget Monitoring

Recommendation: The Board should establish procedures that will monitor the budget on a quarterly basis and amend the budget when required by LRS 39:1338.

Action Taken: We have established new procedures to monitor and amend the budget when required by LRS 39:1338.

Noncompliance and Internal Control

99-3 Sales Tax Paid on Invoices

Recommendation: The Board should cease paying sales taxes on invoices and should modify their procedures that would require deducting the sales tax from the invoice and notifying the vendor of the exemption.

Action Taken: We have established new procedures and have drafted a letter to notify vendors who charge the agency sales tax of the agency's exemption.

Noncompliance and Internal Control

99-4 State Travel Regulations

Recommendation: The Board should adopt a strict policy and establish procedures for board members, employees, and others who submit expenses for reimbursement that follow all requirements of the PPM 49.

Action Taken: We are establishing new procedures and have given all board members and employees new guidance on completing and documenting reimbursement requests.

Internal Control

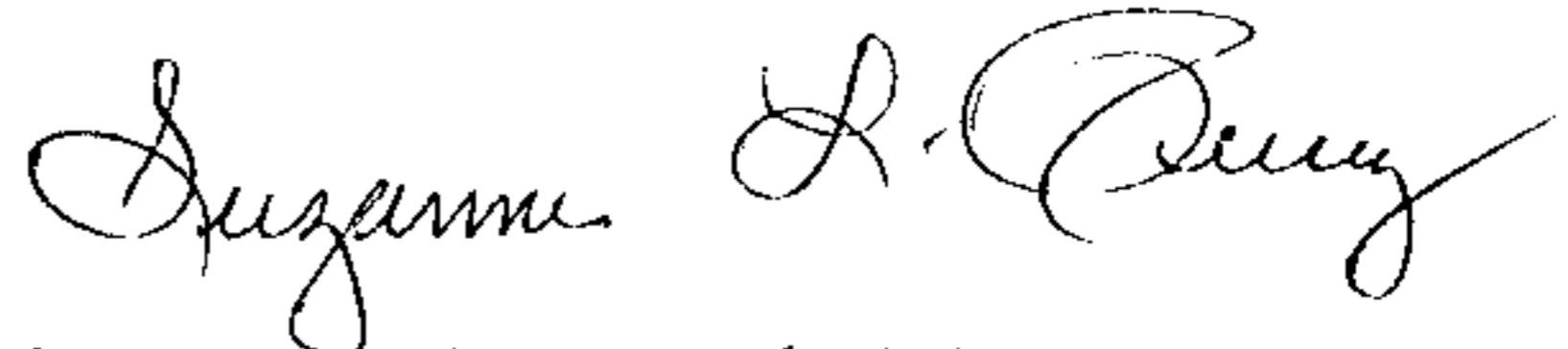
99-5 Accounting System

Recommendation: Upon my suggestion, the administrator has purchased QuickBooks to perform in-house posting of transactions. Since the administrator is also administrator to two other boards within the same office, it is my recommendation that the three boards consider hiring an employee qualified as an accountant to perform all daily accounting functions. Then hire an outside accountant on a quarterly basis to review these daily transaction postings and give advice to the administrator and boards.

Action Taken: We have taken this recommendation under consideration and will make a decision at a later date.

If the Legislative Auditor has questions regarding this plan, please call Suzanne L. Pevey, Administrator at (225) 763-5490.

Sincerely yours,

A handwritten signature in cursive script that reads "Suzanne L. Pevey". The signature is written in black ink and is positioned above the printed name.

Suzanne L. Pevey, Administrator