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**AGREED-UPON PROCEDURES OF**  
**CITY OF MONROE SALES TAX**

*For the Year Ended June 30, 2003*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 5.5.04



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## INDEPENDENT ACCOUNTANTS' REPORT ON AGREED-UPON PROCEDURES

Mr. Billy Pearson  
Director of Administration  
City of Monroe, Louisiana

We have performed the procedures listed below, which were agreed to by the City of Monroe solely to assist you in evaluating the procedures placed into operation for the City of Monroe Sales Tax Department for the City of West Monroe sales tax collections. The City of Monroe Sales Tax Department's management is responsible for the accounting records. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report.

Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

As of March 26, 2004, we performed or noted the following procedures:

For the period July 1, 2002 – June 30, 2003, we selected businesses to check for inconsistencies in their sales tax payment history to the City of Monroe for the sales made within the city limits of West Monroe. Of the seventy-three businesses tested, eighteen had some type of inconsistent payment history. One of the businesses was new and began business during the period tested. Two businesses ended their operations during the time period tested. One of the businesses had limited sales in West Monroe with no income reported during the months of exception, but paid sales taxes during the months of activity. Twelve of the businesses had delinquent payments that were subsequently received during the testing period. One of the businesses had delinquent payments that were received one month after the end of the test period. One business had its sales tax payment coded to Sterlington. The error was found and corrected the same day. These inconsistencies resulted in no payment miscoding.

We then tested twenty businesses that were known to be located in the West Monroe city limits for the same type of inconsistencies as noted in the previous paragraph. Of these twenty, three had inconsistencies in their payment histories. Two of the businesses opened during the period tested. One of the businesses reported no West Monroe sales for the months of exception and only reported small amounts of sales in the months that it did file.

We also tested the City of Monroe Sales Tax Department collection system by randomly selecting twenty-five vendors and tracing their transactions through the City of Monroe's collection system to further test the current control procedures. No exceptions were noted.

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the accounting records of the City of Monroe Sales Tax Department or its internal control. 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 the management of the City of Monroe, the City of West Monroe, and the Legislative Auditor of the State of Louisiana and is not intended to be 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.

*Cameron, Hines & Hartt (APAC)*

West Monroe, Louisiana  
March 26, 2004

AGREED-UPON PROCEDURES OF CITY OF WEST MONROE SALES TAX  
MANAGEMENT CORRECTIVE ACTION PLAN  
FOR THE PERIOD JULY 1, 2002 – JUNE 30, 2003

Internal Control and Compliance Material to the Agreed-Upon Procedures

1. Late Sales Tax Payments

Recommendation: The sales tax department should continue to encourage timely filing and payment by City of West Monroe vendors required to remit sales tax. The department should also monitor delinquent accounts more closely to ensure that each return is filed.

Action Taken: The sales tax department sends out notices to all vendors who are late, which includes penalty notices. The sales tax department sends two letters a month to the habitually late filers. The department then either calls or sends someone to the business if there has been no response. This action often leads to an audit by the Sales Tax Department. The department is taking steps to work more closely with vendors that remain delinquent.