



Report Highlights

Louisiana Tax Free Shopping Commission

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Why We Conducted This Work

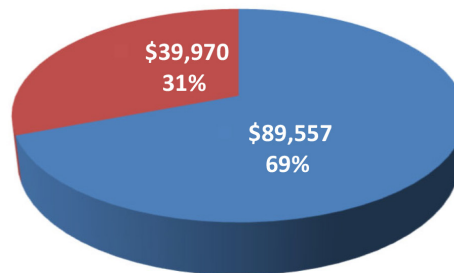
We performed certain procedures at the Louisiana Tax Free Shopping Commission (Commission) to evaluate certain controls that the Commission uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds for the period July 1, 2019, through June 30, 2021.

What We Found

- The Commission does not have adequate controls over its bank reconciliations, which increases the risk that employee error or fraud could occur and not be detected timely. Nine of the 57 monthly bank reconciliations performed for all accounts during fiscal years 2020 and 2021 were not prepared within two months of the statement closing date, there was no evidence of review by a member of management, or a Commission member, who does not handle cash or issue checks, there was no evidence documenting research of reconciling items outstanding more than six months after statement closing date, and bank balances did not agree to general ledger balances as of June 30, 2020.
- The Commission did not make timely deposits of fees and sales tax reimbursements. Thirteen of 19 (68%) deposits selected for testing were not deposited within three days in accordance with Commission policy.
- The Commission staff did not certify and approve time and attendance records. Of the 127 time sheets tested, 17 (13%) were not certified by the employee, and 32 (25%) were not approved by the supervisor.
- The Commission is not ensuring that all employees and Commission members are obtaining the ethics and sexual harassment training required by Louisiana Revised Statute (R.S.) 42:1170 and R.S. 42:343, respectively.
- We followed up on the status of prior-report findings and determined that management has resolved the prior-report findings related to written policies and procedures, contracts, and budgets.
- We evaluated the controls and transactions relating to Commission meetings and minutes, bank reconciliations, receipts and collections, non-payroll disbursements, travel expenses, contracts, payroll and personnel, ethics, budget, and sexual harassments policies. Except as noted above, we found these controls provided reasonable assurance of accountability over public funds for the period examined.
- We compared the most current and prior-year financial activity to identify trends and obtained explanations from management for any significant variances. Management provided reasonable explanations for all significant variances. In our evaluation of fiscal year 2021 revenues, we found that 99.7% of the Commission’s revenues were handling fees charged to international travelers for processing refunds. The following chart shows the Commission’s fiscal year 2021 expenditures.

Fiscal Year 2021 Expenditures

Source: The Commission’s General Ledger



■ Salaries and Benefits ■ Operating Services and Other

View the full report at www.lla.la.gov.