

LOUISIANA TAX COMMISSION

STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

**Procedural Report
Issued July 9, 2025**

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

FIRST ASSISTANT LEGISLATIVE AUDITOR
BETH Q. DAVIS, CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and online at www.la.la.gov. When contacting the office, you may refer to Agency ID No. 3475 or Report ID No. 80250019 for additional information.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. One copy of this public document was produced at an approximate cost of \$0.15. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Jenifer Schaye, General Counsel, at 225-339-3800.

Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA

Louisiana Tax Commission



July 2025

Audit Control # 80250019

Introduction

The primary purpose of our procedures at the Louisiana Tax Commission (LTC) was to evaluate certain controls LTC uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds.

Results of Our Procedures

We evaluated LTC's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the applicable laws and regulations. Based on the documentation of LTC's controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures relating to assessment fees, payroll and personnel expenditures, travel expenditures, and professional service contract expenditures.

Assessment Fees

We reviewed Title 47 of the Louisiana Revised Statutes to identify fees that LTC is authorized to assess and collect, which includes assessment fees totaling approximately \$3.1 million in fiscal years 2024 and 2025, as of February 12, 2025. We reviewed documentation for a sample of assessment fee collections to ensure that assessment fees were being collected and deposited timely in accordance with state law. Based on the results of our procedures, LTC had an adequate system of internal controls in place to ensure that fees were assessed in accordance with state law and revenue collections were timely deposited and properly recorded.

Payroll and Personnel Expenditures

Salaries and related benefits comprise approximately 80% of LTC's expenditures in fiscal years 2024 and 2025, as of January 27, 2025. We obtained an understanding of LTC's system of internal controls over the time and attendance function and reviewed selected employee time statements and leave records for compliance with state laws and regulations for the period July 1, 2023, through January 19, 2025.

Based on the results of our procedures, LTC had an adequate system of internal controls in place to ensure timely review and approval of employee time statements and leave requests, employees were paid the amounts authorized, and leave taken was properly accounted for.

Travel Expenditures

We obtained an understanding of LTC's system of internal controls over travel expenditures, which primarily include employee reimbursements for mileage and meals and direct payments through LTC's Controlled Billed Account (CBA) for flights, hotels, and conference registrations. We analyzed selected travel reimbursements and CBA transactions for the period July 1, 2023, through January 27, 2025. Based on the results of our procedures, LTC has an adequate system of internal controls to ensure that travel reimbursements and CBA purchases were properly approved, made for proper business purposes, sufficiently documented, and complied with state laws and regulations.

Professional Service Contract Expenditures

We obtained an understanding of LTC's system of internal controls over procurement of professional service contracts. LTC had consecutive professional service contracts, with a single contractor, for legal and consulting services during fiscal years 2024 and 2025. We examined both contracts and reviewed monthly reports that detailed work performed by the contractors. Based on the results of our procedures, LTC has an adequate system of internal controls to ensure that professional services were properly procured in accordance with state regulations, reasonable and necessary expenditures of public funds, adequately monitored, and properly coded in accounting records.

Trend Analysis

We compared the most current and prior-year financial activity using LTC's Annual Fiscal Reports and/or system-generated reports and obtained explanations from LTC's management for any significant variances.

Under Louisiana Revised Statute 24:513, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the Louisiana Tax Commission (LTC) for the period from July 1, 2023, through June 30, 2025. Our objective was to evaluate certain controls LTC uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. The scope of our procedures, which is summarized below, was significantly less than an audit conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit or review LTC's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. LTC's accounts are an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated LTC's operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to LTC.
- Based on the documentation of LTC's controls and our understanding of related laws and regulations, and results of our analytical procedures, we performed procedures relating to assessment fees, payroll and personnel expenditures, travel expenditures, and professional service contract expenditures.
- We compared the most current and prior-year financial activity using LTC's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from LTC's management for any significant variances that could potentially indicate areas of risk.

The purpose of this report is solely to describe the scope of our work at LTC, and not to provide an opinion on the effectiveness of LTC's internal control over financial reporting or on compliance. Accordingly, this report is not intended to be, and should not be, used for any other purpose.