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To the Board of Directors of Louisiana Addictive Disorder Regulatory Authority and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below related to the Louisiana Addictive Disorder Regulatory Authority's internal controls and compliance with certain laws and regulations for the fiscal period July 1, 2024 through June 30, 2025. Louisiana Addictive Disorder Regulatory Authority's management is responsible for its financial records and establishing internal controls to ensure accurate financial reporting, compliance with laws and regulations, and accountability over public funds.

The Louisiana Addictive Disorder Regulatory Authority has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding the controls that the Louisiana Addictive Disorder Regulatory Authority uses to ensure accurate financial reporting, compliance with laws and regulations, and accountability over public funds. Additionally, the Louisiana Legislative Auditor has agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law or state purchasing rules and regulations, as applicable to the entity; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued).
 - e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

There is a procedure for payroll processing while a written procedure for reviewing and approving time records was not made available

- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g. determining the reasonableness of fuel card purchases).
 - h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, (4) time-frame in which requests must be submitted and (5) required approvers.

- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees annually attest through signature verification that they have read the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
Not applicable
- k) **Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

The agency does not have written policies and procedures addressing the above polices with the exception of processing payroll time.

Annual Fiscal Report (AFR)

- 2. Obtain the financial statements from the AFR submitted to the Division of Administration's (DOA) Office of Statewide Reporting and Accounting Policy for the current and prior periods. Perform analytical procedures comparing current and prior period amounts, by line item. Report any variances of 10% or greater for line items that are 10% or more of the respective total assets/deferred outflows of resources, liabilities/deferred inflows of resources, net position, revenues, or expenses, and management's explanation of the variance.

There were no liabilities, deferred outflows or inflows. Expenses were 17% or \$33,526 more than the previous year. This increase is from additional legal fees, a new website service, salaries, and other supplies.

Board Meetings/Minutes

- 3. Obtain and inspect the board minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
The board meets quarterly, all but April 1, 2025, meeting had a quorum.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons.
There was no reference in the minutes regarding reviewing monthly budget-to-actual comparisons. Management has informed me this information is presented to the board members. No exception.
 - c) Access the entity's online information included in the DOA's boards and commissions database (<https://wwwcfprd.doa.louisiana.gov/boardsandcommissions/home.cfm>) and observe that the entity submitted board meeting minutes for all meetings during the fiscal period.
The board minutes are not listed on the DOA's boards and commissions database. Management has informed me the minutes are added to the DOIA database annually

Bank Reconciliations

- 4. Obtain a listing of bank accounts for the fiscal period from management and management's representation that the listing is complete. For each of the bank accounts in the listing provided by management, obtain bank statements and reconciliations for all months in the fiscal period and observe that:
Management gave me a list of bank accounts.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
The bank statements for July 2024 through October 2024 were not prepared until January 31, 2025, and it appears that none of the bank reconciliations were reviewed by anyone other than the preparer
- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged);
There is no evidence on the bank reconciliations that a member of management or board member have reviewed the bank reconciliations.
- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months from the statement closing date; and
There is evidence management is reviewing outstanding checks more than 6 months have been researched.
- d) The reconciled balance for the final month of the fiscal period agrees to the general ledger.
The final months reconciled balance agrees with the general ledger balance.

Receipts/Collections

- 5. Obtain and inspect written policies and procedures relating to employees' job duties (if no written policies or procedures, inquire of employees about their job duties), and observe that job duties for collections are properly segregated such that:
 - a) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts or license applications received) to the deposit.
 - b) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - c) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source, are not responsible for collecting cash, unless another employee verifies the reconciliation.

There are no segregation of duties with receipts. The executive director collects the deposits, makes the deposits, post the deposits and reconciles the bank statement.

- 6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

The agency does not collect cash and there is no bond on the employees.

- 7. Randomly select 5 deposit dates for each of the bank accounts (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 5 deposits for each bank account and:

- a) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
The system report agrees with the deposit slip.
 - b) Trace the deposit slip total to the actual deposit per the bank statement.
The deposit agrees with the deposit per the bank statement.
 - c) Observe that the deposit was made within one business day of collection (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
The agency does not keep a record of the date when the deposits are received

- d) Trace the actual deposit per the bank statement to the general ledger.
The actual deposit agrees with the posting to the general ledger.
- 8. Obtain and inspect written policies and procedures (if no written policies and procedures, inquire to management) and observe that there is a process performed to determine completeness of all collections, including electronic transfers, for each revenue source (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued) by a person who is not responsible for collections.
The same employee that handles collections determines the completeness of collections.
- 9. For licensing boards, obtain a list of initial and renewal licenses granted during the period from management and management's representation that the listing is complete. Randomly select 10 individual applicants from the listing and obtain the supporting documentation (e.g. application, copy of check) from management and:
 - a) Observe that the fee paid for license was the appropriate fee based on the applicable fee schedule established by the board or statute.
The fee paid for the license was appropriate as per the established fee schedule.
 - b) If a penalty was assessed (e.g. late fee), observe that the penalty was assessed and collected in accordance with the board's policies.
The appropriate late fee was assessed and collected in accordance with board policies.
- 10. For licensing boards, obtain and inspect the board's written policies and procedures for granting licenses (if no written policies and procedures, inquire to management) and observe that there is a process performed to ensure licensees meet the licensure requirements established by the board or statute, as applicable. For the 10 individual applicants selected in the previous step that were granted initial or renewal licenses during the period, request the supporting documentation (e.g. licensee file) from management and:
 - a) Observe that the board followed the established process to issue or renew the license.
The established process to issue or renew the licenses was followed.
 - b) Observe the documentation contains evidence that the licensee meets or continues to meet (if renewal) the licensure requirements established by the board or statute, as applicable.
Documentation observed contained evidence the licenses meet licensure requirements established by the board.
 - c) Observe that the license was granted or approved by the board or the designated board member(s), as applicable.
The license was granted or approved by the executive director as per board directions.
- 11. For levee districts, obtain independent confirmation of the tax amounts received from the appropriate parish Sheriff's offices. Observe that the confirmed amount agrees to the amount deposited by levee district.
Not Applicable

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 12. Obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employees' job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

There are no segregation of duties with Non-payroll disbursements. The executive director makes the purchase request, approves the purchase and places the orders, process the payment to vendors and handles the vendor files.

13. Obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements which are addressed in separate sections below) and obtain management's representation that the population is complete. Randomly select 5 disbursements, obtain supporting documentation (e.g. purchase requisition, invoices, receipts, receiving slips) for each transaction and:

- a) Observe that the disbursement matched the related original invoice/billing statement
- b) Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #12, as applicable.

I could not obtain the invoices requested for the procedure from management.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete. Randomly select 2 monthly statements or combined statements for each card (for a debit card, randomly select 2 monthly bank statements), obtain supporting documentation, and:

Management informed me bank debit card was the only card. There are no credit cards, fuel cards or P-cards.

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g. original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

There are no statements except for the bank statement indicating the use of the debit card. As mentioned above for bank statements, there is no evidence the bank reconciliation or bank statement have been reviewed by anyone besides the preparer.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Not applicable

15. Obtain supporting documentation for all transactions included on the monthly statements or combined statements selected in #14 above. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

The itemized receipt that was reviewed agreed with the purchase price and the business purpose was indicated on all but one of the invoices. There were no meals selected.

Travel and Travel-Related Expense Reimbursements (excluding card transactions)

16. Obtain from management a listing of all travel and travel-related expense reimbursements paid to employees and board members during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

I was only able to obtain one of the invoices selected.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana in PPM49 (<https://www.doa.la.gov/pages/osp/travel/TravelPolicy.aspx>) or the U.S. General Services Administration (www.gsa.gov).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The only invoice I received was a meal for the board members' meeting. The other 4 travel document were not available for my review.

Contracts

17. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Procurement Code or the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
Not applicable
- b) Observe that the contract was approved by the governing body/board, if required by policy.
The contracts were approved by the board.
- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.
There was an addendum to one of the contracts; however, the original contract was not available for review and I was not able to review the terms provided for the amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

I could not perform this procedure. I was given invoices for each invoice selected; however, none of the original contracts were available for review.

Payroll and Personnel

18. Obtain a listing of employees employed during the fiscal period, and management's representation that the listing is complete. Randomly select 5 employees (or select all employees if less than 5), obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Management gave me a list of employees and their authorized compensation.

19. Randomly select 2 pay periods during the fiscal period. For the employees selected under #18 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).
- b) Observe that supervisors approved the attendance and leave of the selected employees.

I could not perform this procedure. Management could not locate the daily attendance records.

c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

All employees are part-time and not able to obtain leave.

20. Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees' cumulative leave records, and agree the pay rates to the employees' authorized pay rates in the employees' personnel files.

Management informed me there was one employee that resigned; however, no records were available for review.

21. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Management informed the payroll taxes and worker's compensation were submitted timely. This retirement and health insurance benefits are not available to part-time employees

Ethics

22. Using the 5 randomly selected employees from procedure #18 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

a) Observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.

The documentation demonstrates each employee completed one hour of ethics training during the fiscal period

b) Observe that the documentation demonstrates each employee attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Best practices recommend the employees sign a verification that they have read the ethics policy. This agency does not have the employees sign a verification and rely on the ethic certificate to indicate the employee has read the ethics policy.

23. Obtain a listing of board members from management. Randomly select 5 board members and observe documentation to demonstrate that required annual ethics training was completed.

A list of board members was obtained from management. The five board members selected demonstrated they had obtained the required annual ethics training.

Budget

24. Obtain a copy of the legally adopted budget, including all amendments, and the board minutes. Observe the minutes contain approval of the budget and amendments.

A copy of the board approved budget was obtained.

25. Compare the total revenues and total expenditures of the final budget to actual total revenues and total expenditures on the financial statements or AFR. Report variances of 10% or greater.

When comparing the total revenues and expenditures to the final budget, revenues are 22% or \$40,800 more than the final budget while expenditures are 14% or \$39,438 less than the final budget.

26. Inquire of management whether the entity has updated its budget information in the DOA's boards and commissions database referred to in #3 above for the current fiscal period (i.e. period covered in these procedures). Access the online database and obtain the budget information for the current fiscal period. Observe that the budget information contained in the database agrees to the budget adopted by the entity's board.

Management has informed me they are updating the budget information in the DOA's database. When comparing the amounts the total revenues and expenditures of the adopted budget and the amounts posted to the DOA's database revenues agree while expenditures on the final budget are \$273,050 and the DOA database expenditure are \$263,500 a difference of \$9,550 or 3.5%.

Debt Service – Not Applicable

27. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
28. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Sexual Harassment

29. Obtain and inspect the entity's written sexual harassment policies and procedures and observe that they address all requirements of R.S. 42:342-344, including agency responsibilities and prohibitions; annual employee training; and annual reporting requirements.

The agency did not address the requirements of having employees annual training requirements.

30. Obtain a listing of employees/board members employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/board members, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/board member completed at least one hour of sexual harassment training during the calendar year.

The annual training requirements were not met for the employees or the board members.

31. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

The entity has posted its sexual harassment policy on the premises and on their website. The website has the mandatory policies of R.S. 42:342.

32. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.

The agency did not comply with the requirements of RS 42:343-344. Effective date of January 1, 2019.

Other

33. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

There were not reports of misappropriation of assets during the year.

34. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. This notice is available for download or print at www.la.la.gov/hotline.

The entity has posted on the premises and website reporting of misappropriation, waste, or abuse of public funds.

Corrective Action

35. Obtain management's response and corrective action plan for any exceptions noted in the above agreed-upon procedures.

Exception 2025-1 Policies and Procedures

Criteria – This report has specific policies the Louisiana Legislative Auditors office want reviewed. This agency does not have written policies and procedures that address these policies except for the preparation of payroll time reporting.

Condition – Best Practices recommend formal/written procedures are necessary as a clear understanding of what should be done, how it should be done, who should do it, and when it should be done and ensure the procedures followed meet management's expectations.

Recommendation – The agency should have as set of policies and procedures requested in best practices generated by the Louisiana Legislative Auditors office.

Corrective Action – Management will establish policies and procedures required by the Louisiana Legislative Auditors office and put them into effect

Exception 2025-2 Board meeting did not have a quorum

Criteria – According to R.S. 37:3386.2 the board for this agency consist of eight voting members with a majority making up a quorum.

Condition – The April 11, 2025, did not have a quorum, only 4 voting members were present

Cause – Management was under the understanding the board was to consist of 7 voting members and one non-voting member by statute. The four members present were all voting members.

Effect – There were several items on the agenda that required board action at this meeting without a quorum.

Recommendation – When a quorum is not present, management might want to consider rescheduling the board meeting.

Corrective Action – Management response is the items that were on the agenda from April 11, 2025, that required board action will be added to the next scheduled board meeting for a vote.

Exception 2025-3 Bank Reconciliations

Criteria – The Legislative Auditors criteria for this report recommend bank reconciliations are prepared within a two-month period. They also recommend bank reconciliations be reviewed by someone other than the preparer of the statements.

Condition – After reviewing the reconciliations, seven of the twelve were not prepared within the 2-month period and none of the reconciliations indicated no one but the preparer reviewed them.

Effect – The bank statements for July 2024 through October 2024 were not prepared until January 31, 2025, and it appears that none of the bank reconciliations were reviewed by anyone other than the preparer.

Recommendations – Bank reconciliations should be prepared with two months of the bank statement and each reconciliation should be reviewed and initialed by someone other than the preparer. With the limited number of personnel, a board member could perform the review.

Corrective Action – Ensure bank reconciliations occur before the 2-month period and have a board member review and sign off on the reconciliations.

Exception 2025-4 Noncompliance Sexual Harassment Policies

Criteria – The agency did not comply with the requirements of R.S. 42.343-344 regarding the agency's responsibility and prohibitions, annual employee training and annual reporting requirements.

Condition – The agency's staff and board member did not have the required annual training nor was the annual report submitted. The agency did comply with posting the information included in R.S. 42:342 on their website.

Effect – Noncompliance with Louisiana R.S. 42.343-344, training requirements and mandatory reports.

Recommendation – The agency needs to take the following steps as per R.S. 343-344

- Meet mandatory training requirements R.R. 42:343 and ensure the policy against sexual harassment and its complaint procedure is prominently posted on its website.
- File the mandatory reports R.S. 42.344 by February of each year. This statue identifies the contents of this report.

Corrective Action – Management was not aware of this requirement until recently. Management will reach out to find where to take this course and where to submit the annual report to be in compliance next year.

Exception 2025-5 Lack of segregation of duties

Criteria – a procedure in this report inquires segregation of duties for revenue and disbursements.

Condition – This agency has three part-time employees. Only the executive director is performing each of the job duties inquired in Receipts/Collections and Non-Payroll Disbursements.

Effect – lack of segregation of duties

Recommendation – the duties of handling the collection of receipt, their posting and depositing as well as the handling of purchase request, ordering the merchandise, making payments to the vendors, and posting the payment to the general ledger should not be handled by the same individual. If the other part-time workers are not able to perform any of these duties, some agencies obtain assistance from a board member or use an outsourced accountant. Either of these would assist in the segregation of these duties.

Corrective Action – Management will discuss the execution of these tasks with outsourced accountant to resolve the lack of segregation.

Exception 2025-6 Unable to perform or complete procedures

Criteria – I could not perform or complete procedures for non-payroll disbursements, travel reimbursement, contract, and payroll.

Condition – The following documents were not available for these procedures:

- Invoices for non-payroll disbursements selected
- Travel expense vouchers for 4 of the travel expenses selected
- Original contracts for any of the payments selected for contract services.
- Daily attendance records for any of the payroll selected.

Cause – Management hired "professional movers" to pack office files with the understanding that files would be packed in an organized manner. However, the files had been dumped into large boxes and not labeled. Many of these large boxes, due to weight and size, ripped during the moving process and were wrapped in plastic wrap to keep them together by the time they were received at the new location.

Effect – Contract accountant could not complete or perform the procedures for these sections.

Recommendation – Management may want to consider documenting each file in every box and creating an external index of each of the boxes.

Corrective Action - All current working files are labeled and easily accessible for future retrieval. We were at our previous location for 13 years and have no intention on moving again any time soon. If a situation were to arise where we did need to relocate, a third party would not be involved in the packing process. All files will be packed, labeled, and catalogued by office staff to ensure all files are organized and accounted for.

I am engaged by Louisiana Addictive Disorder Regulatory Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. An agreed-upon procedures engagement involves the practitioner performing specific procedures that the engaging party has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting findings based on the procedures performed. I am not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Louisiana Addictive Disorder Regulatory Authority's internal controls and compliance with laws and regulations. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of Louisiana Addictive Disorder Regulatory Authority and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Louisiana Addictive Disorder Regulatory Authority and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties. Under R.S. 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



Michael K Glover CPA
Baton Rouge, Louisiana
December 22, 2025

Prior year Exceptions – None, this is the first year an AUP report has been required.