

DEPARTMENT OF WILDLIFE AND FISHERIES  
STATE OF LOUISIANA



PROCEDURAL REPORT  
ISSUED DECEMBER 31, 2008

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

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LOUISIANA LEGISLATIVE AUDITOR  
STEVE J. THERIOT, CPA

December 9, 2008

**DEPARTMENT OF WILDLIFE AND FISHERIES  
STATE OF LOUISIANA**

Baton Rouge, Louisiana

As required by Louisiana Revised Statute 24:513, we conducted certain procedures at the Department of Wildlife and Fisheries for the years ending June 30, 2007, and June 30, 2008. Our procedures included (1) a review of the department's internal controls; (2) tests of financial transactions; (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities; and (4) a review of compliance with prior year report recommendations. Our procedures were more limited than would be necessary to give an opinion on internal control and on compliance with laws, regulations, policies, and procedures governing financial activities.

Specifically, we interviewed management personnel and other selected departmental personnel and evaluated selected documents, files, reports, systems, procedures, and policies, as we considered necessary. After analyzing the data, we developed recommendations for improvement. We then discussed our findings and recommendations with appropriate management personnel before submitting this written report.

The Annual Fiscal Reports of the Department of Wildlife and Fisheries were not audited or reviewed by us, and, accordingly, we do not express an opinion on these reports. The department's accounts are an integral part of the State of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

In our prior report on the Department of Wildlife and Fisheries, dated November 8, 2006, we reported a finding related to deficiencies in information systems security. That finding has been resolved by management.

Based on the application of the procedures referred to previously, all significant findings are included in this report for management's consideration.

**Inadequate Controls Over Revenue Collection**

The Department of Wildlife and Fisheries did not establish adequate controls over the collection, deposit, and reconciliation of motorboat registration and commercial license revenues. Article 7, Section 9 of the 1974 Louisiana Constitution requires that all money received by a state agency be deposited immediately upon receipt in the state treasury. Good

internal control requires procedures to ensure that funds are deposited upon receipt; receipt dates are properly recorded; and deposits are reconciled to accounting records.

- In a review of 26 deposited mail-in fees consisting of motorboat registrations and commercial licenses, 10 (38%) were not deposited until three to 15 days after the date of receipt and three (12%) did not indicate the date of receipt to determine the timeliness of deposit.
- Reconciliations of bank deposits to accounting records for motorboat registrations and commercial licenses were not performed timely. On February 22, 2008, the last reconciliation completed for motorboat registrations was July 2007, and the last reconciliation completed for commercial license revenues was December 2007.

These conditions exist because management has not placed adequate emphasis on timely deposit of funds and timely reconciliations of deposits to accounting records. The lack of adequate internal control increases the risk that errors and/or fraud could occur and not be detected in a timely manner.

Management should establish and implement procedures to ensure the timeliness of deposits, accurate notations of receipt dates, and timely reconciliations of revenues deposited and recorded. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A).

The recommendation in this letter represents, in our judgment, that which is most likely to bring about beneficial improvements to the operations of the department. The nature of the recommendation, its implementation costs, and its potential impact on the operations of the department should be considered in reaching decisions on courses of action. The portion of this finding relating to the department's compliance with applicable laws and regulations should be addressed immediately by management.

This report is intended solely for the information and use of the department and its management and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Steve J. Theriot, CPA  
Legislative Auditor

CLM:BQD:THC:dl

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Management's Corrective Action  
Plan and Response to the  
Finding and Recommendation

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BOBBY JINDAL  
GOVERNOR

*State of Louisiana*  
DEPARTMENT OF WILDLIFE AND FISHERIES  
OFFICE OF MANAGEMENT & FINANCE

ROBERT J. BARHAM  
SECRETARY

JANICE A. LANSING  
UNDERSECRETARY

October 6, 2008

Steve J. Theriot, CPA  
Louisiana Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804

RE: Audit Finding-Inadequate Controls Over Revenue Collection

Dear Mr. Theriot:

The department concurs with the above stated finding and recommendations. We offer the following response and proposed corrective action plan.

The untimely deposits of revenues and performance of reconciliations were caused primarily by a staff shortage during our peak commercial license season (mid December thru January). Since that time 2 vacant positions have been filled, and staff has worked overtime to resolve the backlog.

Additionally, the motorboat registration system was migrated during this time from a legacy system operating on an outdated mainframe computer to a SQL/web based system. This required extensive re-programming which resulted in issues in reconciling the new and old systems, a common condition in complex system conversions such as this. These issues have been resolved and we expect future reconciliations to be performed timely.

**Corrective Action Plan**

The department will take additional steps to ensure that motorboat registration and commercial license revenues are deposited and reconciliations of these revenues are performed in a timely manner. These will include:

- Licensing staff will begin working overtime earlier in the busy season to prevent work from backing up.
- Any staff vacancies will be filled as quickly as possible.

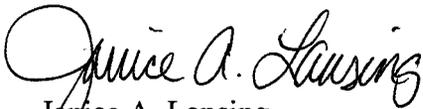
- Extensive testing will be performed prior to the implementation of any future system conversions in order to ensure that reconciliations can be performed accurately and timely.

**Persons responsible for corrective action:**

Janis Landry, Licensing Director  
David Dousay, I.T. Director

We value the experience of this audit and view it as an opportunity to improve our business processes. If you should have any questions or need additional answers, please contact me at 765-2860.

Sincerely,



Janice A. Lansing  
Undersecretary

c: Robert Barham, Secretary  
Wynnette Kees, Fiscal Officer