



Report Highlights

Louisiana Office of Alcohol and Tobacco Control

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Why We Conducted This Audit

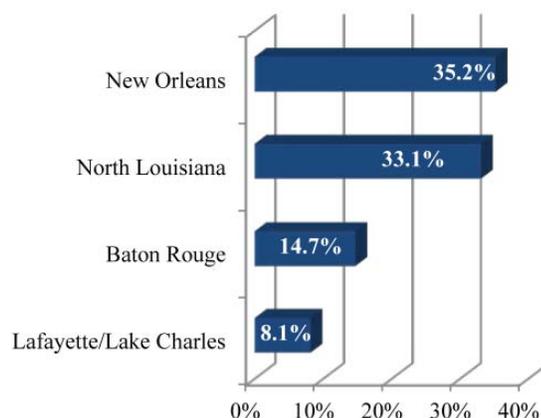
We conducted this audit to determine whether the Louisiana Office of Alcohol and Tobacco Control (ATC) effectively regulated alcohol beverage outlets (ABOs) from fiscal years 2011 to 2013.

What We Found

Overall, we found that while ATC has improved its timeliness in issuing alcohol permits, it needs to better manage its monitoring and enforcement processes to ensure that all ABOs are in compliance with ATC regulations. We only evaluated activities since the new commissioner was appointed because prior to that time limited data existed on ATC’s regulatory activities. In addition, the new commissioner implemented several new requirements when he was appointed, including requiring inspections every year, which were not in place prior to this time. We specifically focused on ATC’s permitting, monitoring, and enforcement processes since these are the primary activities ATC uses to regulate ABOs.

- ATC has improved the percentage of alcohol permits it issued in a timely manner from 69% in fiscal year 2011 to 93% in fiscal year 2013. However, ATC did not always assess late fees to ABOs that did not renew their permits timely. We reviewed 300 late renewals for ABOs from fiscal year 2011 to 2013 and found that 99 (33%) were not assessed \$2,322 in late fees.
- ATC decreased the number of compliance checks it conducted by 50%, from 8,972 during fiscal year 2012 to 4,458 during fiscal year 2013. Compliance checks are the primary method ATC uses to determine if ABOs are selling to underage individuals.

Percent of Routine Inspections Not Conducted by Parish



- ATC did not conduct routine inspections of 2,419 (24%) of 10,046 ABOs as required during fiscal year 2013. As a result, ATC did not ensure that these ABOs were in compliance with ATC regulations.

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What We Found (Cont.)

- ATC did not effectively plan inspections as some agents did not inspect ABOs that were close to ones that were inspected and some agents conducted multiple inspections of ABOs even though they had no compliance issues.
- ATC did not follow up on 197 (54%) of the 365 ABOs from October 2012 through June 2013 that had violations identified on their routine inspection.
- ATC did not inspect 61 (82%) of 74 ABOs with suspended alcohol permits within five days as required by the commissioner to ensure these ABOs were not selling alcohol.
- ATC cannot ensure that agents are citing violations consistently because it does not capture sufficient electronic information on inspection results.
- ATC has not developed procedures for its complaint process including timeframes for when complaints should be addressed and closed. The closed complaints took an average of 40 days to close, while the complaints that are still open have been open an average of 141 days. According to ATC, the complaint data may include investigations opened for other reasons such as following up on media reports which typically take longer to investigate.
- ATC issued all penalties we reviewed in accordance with state law; however, penalty amounts in law are low compared to other regulatory agencies like the Office of Public Health.
- ATC's data system limits management's ability to use data to monitor and evaluate its regulatory activities. While this system allows ATC to look at cases on an individual basis and view images of documents, it does not allow ATC to generate reports showing performance as a whole for its various processes.