

**LOUISIANA STATE BOARD OF EXAMINERS OF PSYCHOLOGISTS  
DEPARTMENT OF HEALTH AND HOSPITALS**



**AGREED-UPON PROCEDURES**

**AS OF AND FOR THE  
YEAR ENDED JUNE 30, 2014**

**LOUISIANA STATE BOARD OF EXAMINERS OF PSYCHOLOGISTS  
DEPARTMENT OF HEALTH AND HOSPITALS  
AGREED-UPON PROCEDURES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

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*Louisiana Society of Certified Public Accountants  
American Institute of Certified Public Accountants  
Association of Governmental Accountants  
Governmental Audit Quality Control Center*

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

To the Board Members of  
Louisiana State Board of Examiners of Psychologists  
8706 Jefferson Highway, Suite B  
Baton Rouge, Louisiana 70809

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked "not applicable".

Management of the Louisiana State Board of Examiners of Psychologists, a component unit of the State of Louisiana, is responsible for its financial records, establishing internal controls over financial reporting and compliance with applicable laws and regulations. These procedures were agreed to by management of the Louisiana State Board of Examiners of Psychologists and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the Louisiana State Board of Examiners of Psychologists' compliance with certain laws and regulations during the year ended June 30, 2014.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

## **General**

1. Determine if there are adequate written policies and procedures for the primary financial and business functions of the entity.

*The written policies and procedures were reviewed. Recommendations have been made to enhance them such that all actual processes are included and internal controls will be strengthened.*

2. Perform analytical procedures comparing current and prior year financial statements by line item. Identify and obtain explanations for variances of 10% or greater for line items and/or 10% or more of the respective assets, liabilities, equity, revenues and expenses.

*Analytical procedures comparing current and prior year financial statements did not indicate any exceptions.*

## **Cash**

1. Prepare a proof of cash for the period covered by the financial statements.

*This was accomplished for each bank account maintained by the Board.*

2. Determine if cash collection responsibilities are adequately segregated to ensure that the person responsible for cash collections is not responsible for posting accounts receivable or making deposits.

*It was determined that cash collection responsibilities are adequately segregated.*

3. Determine if bank reconciliations have been prepared for all months in the period covered by the financial statements. Determine if there is evidence of management review of the bank reconciliations. Determine if the reconciled balance for the final month of the fiscal or calendar year agrees to the general ledger.

*Bank reconciliations were timely prepared for each month of the fiscal year and agree with the reported amount on the general ledger. Management and an independent accountant review the reconciliations monthly.*

## **Credit Cards**

1. Obtain from management a listing of all active credit/debit cards for the period under examination, including the card numbers and the names of the persons who maintained possession of the card.

*The Board utilizes a debit card.*

2. Obtain the monthly statements for all credit/debit cards used during the period under examination and select for detailed review the largest (dollar amount) statement for the two cards with the most activity:

- a. obtain the entity's supporting documentation for the largest purchase/charge shown on each selected monthly statement:

1. determine if each purchase is supported by:

- i. an original itemized receipt;
- ii. documentation of the business/public purpose;
- iii. other documentation as may be required by policy; and

2. determine if selected purchases effectively circumvented the entity's normal procurement/purchasing process and/or the Louisiana Public Bid Law.

- b. determine if there is evidence of management review of the two selected statements.

*Charges for each month were reviewed, and the month with the highest dollar activity was chosen for further investigation. There were no exceptions noted nor were there any purchases that appeared to have circumvented the Board's normal procurement/purchasing process or the Louisiana Public Bid Law.*

### **Travel and Expense Reimbursement**

1. Obtain a listing of all travel and related expense reimbursements during the period under examination and trace to the general ledger for completeness. Select for review the three persons who were reimbursed the most money:

*Travel and expense reports were reviewed, and the activity of the three persons reimbursed the highest dollar amount was chosen for further investigation.*

a. obtain all of the expense reimbursement reports of each selected person, including the supporting documentation and choose the largest expense report from each person to review in detail:

1. determine if each expenditure is:
  - i. reimbursed in accordance with written policy and applicable laws;
  - ii. for an appropriate and necessary business purpose relative to the travel; and
2. determine if each expenditure is supported by:
  - i. an original itemized receipt;
  - ii. documentation of the business/public purpose;
  - iii. other documentation as may be required by policy; and

3. determine if each expense report was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*Further investigation did not reveal any exceptions.*

### **Contracts**

1. Review accounting records for the period under examination to identify individuals/businesses being paid for contracted services. Select five "vendors" that were paid the most money during the period and determine if there is a formal/written contract that supports these services arrangement.

*Contracts were observed for the five highest paid individuals and/or businesses providing contracted services to the Board. There was a written contract to support each of these services arrangements.*

2. Obtain a listing of all active contracts and the expenditures made during the period under examination and trace to the general ledger for completeness. Select for detailed review, the largest (dollar amount) contract in each of the following categories that was entered into during the period - (1) services; (2) materials and supplies; and (3) public works.

a. obtain the selected contract and the related paid invoices and:

1. determine if the contract is a related party transaction by obtaining management's representation; and

2. determine if the transaction is subject to the Louisiana Public Bid Law or Procurement Code:

i. if yes, determine if the entity complied with all requirements; and

ii. if no, determine if the entity provided an open and competitive atmosphere for the transaction/work; and

3. determine if the contract was amended:

i. if so, determine whether the original contract contemplated or provided for such an amendment; and

ii. determine if the amendment is outside of the scope of the original contract:

a. if so, whether it should have been separately bid and contracted; and

4. select the largest payment from each of the three largest contracts selected above and determine if the invoice(s) received and payment complied with the terms and conditions of the contract; and

5. determine if there is documentation of board approval, if required.

*Payments made to the individuals and/or businesses paid the highest dollar amount in the three categories listed above were reviewed. There was one exception related to the items enumerated herein.*

*Payments to one of the Board's attorneys for legal services was \$6,662 in excess of the \$19,000 contracted amount.*

### **Payroll and Personnel**

1. Obtain a listing of employment contracts/salaries in force during the period under examination and trace to the general ledger for completeness. Select the five highest paid employees and:

a. determine if payments issued during the period under examination were done in strict accordance with the terms and conditions of the contract or pay rate structure; and

b. determine if changes made to hourly pay rates/salaries during the period under examination were approved in writing and in accordance with policy.

*Personnel records for the five highest paid employees were investigated. There were no exceptions noted.*

2. Select the attendance and leave records for one pay period in which leave has been taken by at least one employee and:

- a. determine if all employees are documenting their daily attendance and leave; and
- b. determine if supervisors are approving, in writing, the attendance and leave of all employees; and
- c. determine if the entity is maintaining accurate written leave records on all eligible employees.

*A sample of leave and attendance records were observed. There were no exceptions noted.*

3. Select the two largest termination payments made during the period under examination. Determine if the payments were supported by adequate documentation made in strict accordance with policy and/or contract and properly approved.

*There were no termination payments made during the year.*

### **Budget**

1. Obtain a copy of the legally adopted budget and all amendments.

*A copy of the original budget was obtained. There were no amendments during the year.*

2. Trace the budget adoption and amendments to the minute book.

*The adoption was traced to the minute book.*

3. 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.

*A comparison of the actual revenues and expenditures to the final budgeted amounts did not indicate any exceptions.*

### **Debt**

1. If debt was issued during the financial statement period, verify that State Bond Commission approval was obtained, as applicable.

*There was no debt issued during the year.*

2. Determine compliance with applicable debt covenants.

*Not applicable.*

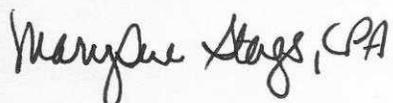
### **Corrective Action**

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

*Please refer to the schedule of findings and responses that follows this report.*

We were not engaged to perform, and did not perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Louisiana State Board of Examiners of Psychologists and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:515, this report is distributed by the Legislative Auditor as a public document.



Mary Sue Stages, CPA  
A Professional Accounting Corporation  
Baker, Louisiana  
September 12, 2014

**LOUISIANA STATE BOARD OF EXAMINERS OF PSYCHOLOGISTS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2014**

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We have performed agreed-upon procedures as enumerated in the report herein of the Louisiana State Board of Examiners of Psychologists for the year ended June 30, 2014, and have issued our report thereon dated September 12, 2014. Exceptions noted during our procedures are listed below.

**Financial Statement Findings**

2014.01 Written Policies and Procedures

*Criteria.* A strong internal control system provides for written policies and procedures adequate enough to provide guidance for the primary business and accounting functions of the Board.

*Condition.* The written policies and procedures do not include all processes that the Board's personnel actually follow and do not include all business and accounting functions.

*Recommendation.* The Board should continue its efforts to amend its current policies and procedures with a completion date prior to the end of this fiscal year.

*Management's Response.* The Board will comply with this recommendation.

2014.02 Contracts

*Criteria.* Authority for payment of contracted services is provided for in the contract, and overages of more than 10% should be amended.

*Condition.* Payments to one of the Board's attorneys was paid \$6,662 in excess of the \$19,000 contracted amount.

*Recommendation.* A summary of payments to each individual/business paid under contract should be maintained so that the Board will know when the cumulative payments are getting close to the contracted amount. Based on the amount of work anticipated through year-end at any one point, the contract should be amended if the contracted amount appears to be insufficient.

*Management's Response.* The remittance of invoices were not timely requiring payment of prior year work to be paid in the current year. This caused the current year expense to exceed the contracted amount.

**Compliance Findings**

None

LOUISIANA STATE BOARD OF EXAMINERS OF PSYCHOLOGISTS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
YEAR ENDED JUNE 30, 2014

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**Financial Statement Findings**

None

**Compliance Findings**

2013.01 Compliance with Audit Law

*Criteria.* Louisiana Revised Statute 24:513 requires that an annual financial report or other type report be submitted to the Legislative Auditor within two months of the close of the fiscal year for state agencies included in the CAFR.

*Condition.* This deadline was not met for the fiscal year ended June 30, 2013.

*Disposition.* Resolved

**LOUISIANA STATE BOARD OF EXAMINERS OF PSYCHOLOGISTS  
DEPARTMENT OF HEALTH AND HOSPITALS  
STATE OF LOUISIANA  
MANAGEMENT'S CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2014**

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Please refer to management's response in the schedule of findings and responses.