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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, reviewed, entity and other public officials. The report is available for public inspection in the Baton Rouge office of the Legislative Auditor where appropriate at the parish clerk of court.

## Independent Accountant's Report On Applying Agreed-Upon Procedures

Mr. Billy Pearson  
Director of Administration,  
City of Monroe, Louisiana

Release Date FEB 09 2000

We have performed the procedures listed below, which were agreed to by the City of Monroe solely to assist you in evaluating the procedures placed into operation for the City of Monroe Sales Tax Department for the City of West Monroe sales tax collections. This agreed-upon procedure engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report.

Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

As of December 17, 1999, we performed or noted the following procedures:

For the period July 1, 1997 - June 30, 1998, we randomly selected twenty-five businesses to check for inconsistencies in their sales tax payment history to the City of Monroe for the sales made within the City of West Monroe. Of these twenty-five businesses, only nine had some type of inconsistent payment history. Three of these vendors were located out of state and did not have any sales reported to the City of West Monroe during the period. Three vendors either opened or closed their business during the period that caused their payments to either start or stop during the period. Of the remaining three, one vendor's sales tax return was completed inaccurately which resulted in \$9,206 not being remitted to the City of West Monroe, which was subsequently corrected by the Monroe Sales Tax department in September 1999. One vendor made a payment late and the other vendor has an ongoing situation with the City of Monroe to determine how much is to be paid for four months during the period examined.

We then tested ten large and ten small businesses that we knew were located in the West Monroe city limits for the same type of irregularities as noted in the previous paragraph. Of these twenty, four had inconsistencies in their payment history. Two vendors either opened or closed their business during this period that caused their payments to either start or stop during the period and the other two vendors made late payments that were received after the examination period.



We also tested the City of Monroe Sales Tax department collection system by randomly selecting twenty-five vendors and tracing their transactions through the system for the month of April 1998. There were no exceptions noted during this test.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the financial statements of the City of Monroe Sales Tax Department or its internal control. 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 the management of the City of Monroe, the City of West Monroe and the Legislative Auditor of the 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.

*Cameron, Hines & Hartt (APAC)*

West Monroe, Louisiana  
December 17, 1999

City of Monroe, Sales Tax Department  
Management's Corrective Action Plan  
For the Period July 1, 1997 -- June 30, 1998

Internal Control and Compliance Material to the Agreed-Upon Procedures

1. Inaccuracies in Sales Tax Remittances

Recommendation: The sales tax department should monitor the returns submitted more closely to ensure that the sales tax is properly credited to the City of West Monroe.

Action Taken: The sales tax department has installed software in their system that prevents data from being input incorrectly or credited to the wrong government entity. This can only be circumvented by a supervisor override and should eliminate the problems with the information being credited to the wrong entity.

2. Late Sales Tax Payments

Recommendation: The sales tax department should continue to encourage timely filing and payment by City of West Monroe vendors required to remit sales tax.

Action Taken: The sales tax department sends out notices to all vendors who are late which include penalty notices.