

# CAMERON, HINES & HART

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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 credit and office appropriate public officials. The report is available for public inspection at the State House office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Independent Accountant's Report

Release Date 02-29-02 On Applying Agreed-Upon Procedures

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

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 January 18, 2001, we performed or noted the following procedures:

For the period July 1, 1999 - June 30, 2000, we selected all businesses by our materiality calculations to check for inconsistencies in their sales tax payment history in the City of Monroe for the sales made within the City of West Monroe. Of these seventy-seven businesses, fourteen had some type of inconsistent payment history. Two of these vendors were located out of state and did not have any sales reported to the City of West Monroe during this period. Five vendors were new vendors and began operating within the period tested. Two vendors file quarterly, which caused some months to show no payments. One vendor has sales to other parts of the Parish, other than the City of West Monroe, and for these months no payments were recorded. Of the remaining four vendors, two failed to file for one month and were delinquent and two vendors filed returns inaccurately which resulted in \$13,783 not being remitted to the City of West Monroe. These four companies have since filed and paid their taxes.

We then tested twenty businesses that we knew were located in the West Monroe City limits for the same type of differences as noted in the previous paragraph. Of these twenty, one had inconsistencies in their payment history. This vendor filed in error and resulted in \$2,923 not being remitted to the City of West Monroe.

We also tested the City of Monroe Sales Tax Department collection system by randomly selecting twenty-five vendors and tracing their transactions through the City of Monroe's system to further test for controls control procedures. 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, Sherril A. Hunt (CPA)*

West Monroe, Louisiana  
January 18, 2001

**City of Monroe, Sales Tax Department  
Management & Corrective Action Plan  
For the Period July 1, 1999 to June 30, 2000**

**Internal Control and Compliance Material to the Agreed-Upon Procedures**

**1. Inaccuracies in Sales Tax Returns**

**Recommendation:** The sales tax department should closely monitor the vendors that consistently file in error 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 notifies management of inaccuracies that will prevent vendors that file in error consistently from being input incorrectly or credited to the wrong government entity. This software allows management to make manual changes in reporting amounts to prevent errors. To help prevent errors that occur on a regular basis the director monitors companies that habitually file in error. The department also closely reviews accounts reported to the Starkington column because this is a common error and can be easily identified.

**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. The department should also monitor delinquent accounts more closely to ensure that each return is filed.

**Action Taken:** The sales tax department sends out notices to all vendors who are late, which include penalty notices. The department is taking steps to work more closely with vendors that are delinquent.