



City of Baton Rouge
Parish of East Baton Rouge
Finance Department
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Baton Rouge, LA 70821
(225) 389-3076
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Auditing Division 2007 Annual Report

The following is a summary of the activities and accomplishments of the Auditing Division for the year ended December 31, 2007. As illustrated in this report, the Auditing Division focused its efforts on the following areas:

- Revenue generation,
- Identifying cost savings,
- Assisting City-Parish employees in improving the efficiency of operations,
- Establishing stronger internal controls, and
- Promoting increased governmental accountability.

The Auditing Division has two distinct responsibilities. The first responsibility is to perform audits of businesses to ensure compliance with sales, use, occupational license, insurance premium, gross receipts, and hotel/motel tax laws. These audits are conducted not only for the benefit of the City-Parish but also for the East Baton Rouge Parish School System, Zachary Community School Board, Baker School District, and the Cities of Baker, Zachary, and Central.

Our second responsibility is to assess various operations and control systems in City-Parish government and advise management where improvements can be made. Additionally, our work is important in promoting governmental accountability.

The Auditing Division's 2007 accomplishments were not possible without the dedication of this office's employees. Other offices are instrumental to our success particularly Finance-Administration and Finance-Revenue. I thank them for their assistance. Finally, I want to thank the Audit Committee members for their leadership and support.

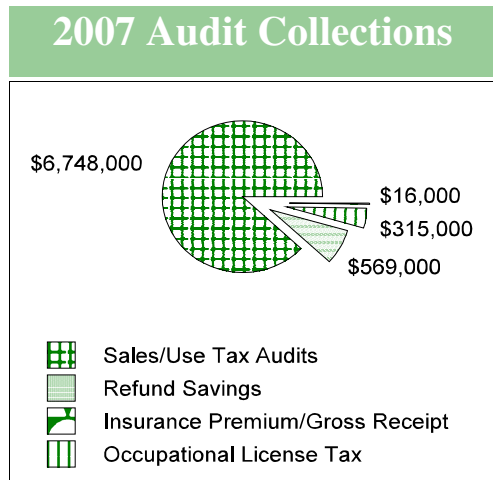
Carol Marcantel
Auditing Manager

Revenue Audit

In 2007, the Revenue Audit staff's total collections and refund savings were **\$7,648,000**. This was the **fourth highest** annual collection amount in the Auditing Division's twenty-seven year history of auditing taxes.

Other tasks and/or special projects performed by the Revenue Audit staff include the following:

- Worked with the Louisiana Association of Tax Administrators (LATA) to support the interest of local governments in the collection and administration of sales tax.



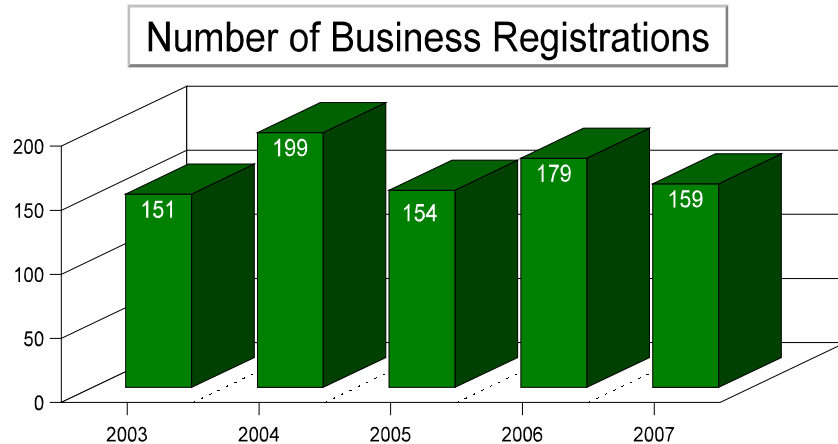
Highest Annual Audit Collections

Year	Amount
1987	\$12,250,000
2006	\$ 8,057,000
1996	\$ 7,680,000
2007	\$ 7,648,000
1985	\$ 7,063,000

- Assisted in reviewing state legislation affecting local sales and use taxes in East Baton Rouge Parish.
- Monitored river boat casino boardings and revenues paid to the City-Parish. The two river boats boarded 2,544,900 passengers and paid fees of \$6,362,300 in 2007.

Audit Research and Selection

Of the \$7,648,000 total collections, the Audit Research and Selection Section (ARS) collected **\$1,006,900** during 2007. ARS staff also contacted **860** businesses and registered **159** businesses for various taxes. The new registrations expand the tax bases and result in more revenues for the future.



Internal Audit

The audits and special projects performed in 2007 identified over \$550,000 in potential revenues and cost savings.

Some of the 2007 audits and special projects were performed to verify that:

- ✓ Proper management and accounting controls were established,
- ✓ Expenditures were made in compliance with applicable laws and regulations,
- ✓ Assets were safeguarded, and
- ✓ Financial data was reliable.

2007 Audits (Completed and In Progress)

- Chaneyville Fire Protection District Audit
- Police Cash Receipts Audit
- Audit Follow-Up Reviews 2006 - 2007 (Library Cash Count Audit & Constable Evidence Testing Program Audit)
- City Court Bond Forfeitures Audit

Special Projects

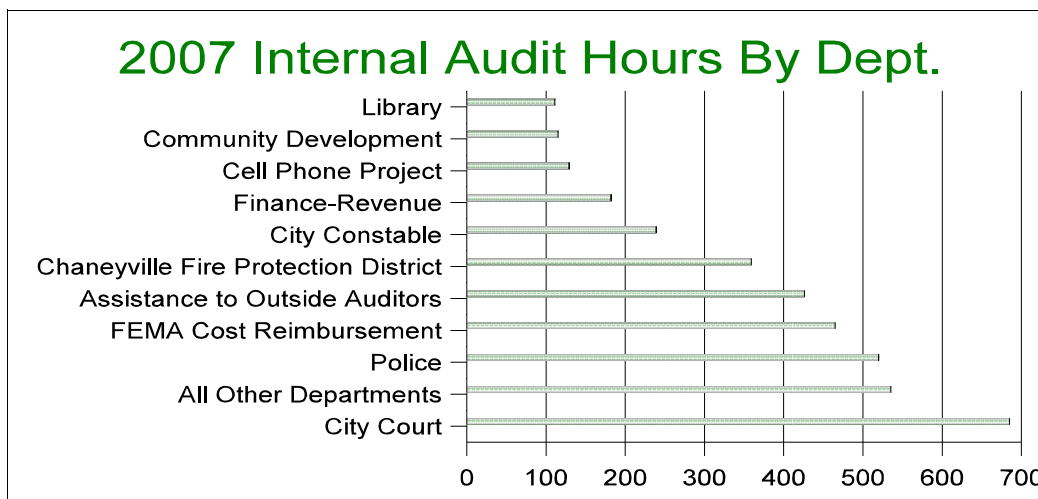
- Federal Emergency Management Agency Reimbursement Coordination
- Parish Attorney - Gaming Enforcement Operational Review
- School District Tax Analysis
- Cell Phone Survey
- DPW Warehouse Inventory - Third Quarter 2007
- Community Development HOME Loan - Melrose Urban Limited Partnership
- Garbage Cart Analysis

Annual Assistance to Outside Audit Firm

- Payroll Testing

Information Systems Projects

- Audit Information Management System
- Local Area Network
- Finance-Revenue System Implementation & Testing
- T.R.A.C. System for all Finance Department divisions
- Revenue Audit System



Office Operations

Professional Certification In the Auditing Division, there are eleven Certified Public Accountants, four Certified Internal Auditors, two Certified Fraud Examiners, three Certified Tax Examiners, and one Certified Public Accountant candidate.

The audit staff participates in several professional organizations so that we can stay abreast of current issues and practices in auditing and share knowledge and experiences. Some organizations to which we belong include the following:

*American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Institute of Internal Auditors
Association of Certified Fraud Examiners
Association of Local Government Auditors
Louisiana Association of Tax Administrators
Information Systems Audit and Control Association*

Risk Assessment To direct audit efforts to the needs of the City-Parish and to carry out our responsibilities, the Auditing Division has formulated a Risk Analysis Model from which the Internal Audit Section annual Audit Plan is prepared. The Auditing Division evaluates every City-Parish budget unit based on the following criteria: the financial exposure of the unit, the number of employees, the time elapsed since last audit, the extent to which the area is a source or use of cash, and the assets controlled by the unit.

The Revenue Audit Section conducts monthly Audit Selection Committee meetings in order to prioritize the audit list, review the State of Louisiana reports and audits, analyze statistical reports produced by the Information Services Department, and plan out-of-town audits.

Audit Committee In 2007, the Audit Committee was comprised of:

*Chairman Walter Monsour, City-Parish Chief Administrative Officer
Joe Greco, Mayor-President Pro-Tempore
David Medlin / Marsha Hanlon, Finance Director
Brian Mayers, Council Administrator/Treasurer*

The Audit Committee meets approximately four times a year. During these meetings, the Audit Committee reviews the annual Audit Plan and audit reports issued. They also receive the outside audit firm's report on the City-Parish financial statements.

Auditing Division Staff

Name

Position

Administration

Carol Marcantel, CPA
Robyn Heap, CPA
Cindy Kleinpeter, CFE, CIA, CPA
Pam Peltier

Auditing Manager
Assistant Manager - Revenue Auditing
Assistant Manager - Internal Auditing
Senior Administrative Specialist

Audit Research & Selection

Corinna Chang, CFE, CPA
Mary Hirezi-Harb, CIA, CPA, CTE
Barbara Dotie
Gordon Davis
Anthony Drummond
Matt Robison
Leslie Westmoreland

Chief Auditor
Senior Auditor
Administrative Specialist II
Student Intern
Student Intern
Student Intern
Student Intern

Internal Audit

Daryl Clay, CIA, CPA
Barbara Baughman
Sarah Casey

Chief Auditor
Auditor
Student Intern

Revenue Audit

Charlotte Morris
Carolyn Winding, CPA
Mary Alford
Ory Keller
Amy McDaniel, CPA, CTE
Rise Patin, CPA Inactive
Travis Bourgeois
Dave Campagna, CTE
Natasha Castle
Janet DeLaune
Kem Marshburn
Ken Ridgdell, CPA Inactive
Mary Sutton
Brenda Waters, CPA, CIA, CMA

Chief Auditor
Chief Auditor
Senior Auditor
Senior Auditor
Senior Auditor
Senior Auditor
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