



Date
November 2, 2022

Time
1:10 PM – 2:10 PM

Instructor
Tammi Ritchie, CPA, CFE
Senior Investigative Auditor
Louisiana Legislative Auditor

Location
Live-Streamed and
Onsite at Louisiana
Immersive Technologies
Enterprise (LITE)

Method of Delivery
Classroom instruction

Learning Level
Basic

CPE Hours
1.0 Hours

CPA Subject Matter
Accounting and Auditing

Prerequisite
None

My Accounting To-Do List: The Accounting Cycle in a Year

Description

Let's check off our to-do list as we go through the accounting cycle in a year. In this presentation, we will look at tasks that need to be done monthly, quarterly and annually. From payroll reports to audits and everything in between, we will develop a timeline to help you know what needs to be done and stay on top of your deadlines.

Objectives

- Learn how to strategically plan ahead for audits
- Be able to prepare a timeline with deadlines for annual audits

Who Will Benefit

- Elected Officials/Appointed Officials and their staff
- Local Government Employees/Local Government Auditors

About the Instructor

Tammi Ritchie began her employment with the Louisiana Legislative Auditor in February 2022 in the Investigative Audit Services section. Prior to joining LLA, she was employed with the Allen Parish School Board for 13 years, where she was the Director of Finance. She also has worked in Public Accounting for 5 years and taught accounting at a technical college for 3 years. Tammi graduated in 2000 from McNeese State University with a bachelor of science in accounting and management. After graduation, she worked for a CPA firm performing audits on governmental agencies and doing tax work. She began working with the Allen Parish School Board in 2008 and soon became the Director of Finance for the school board. During this time, she worked on budgets, AFR, payroll reports, grants, audits and many other accounting functions. Tammi currently serves as an Investigative Auditor for the LLA. As an investigative auditor, her job is to investigate complaints about the misuse of public funds. She has worked on several audits since she began with the LLA. Tammi recently became a Certified Fraud Examiner.

My Accounting To Do List: The Accounting Cycle in a Year



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Senior Investigative Auditor, LLA
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1

Monthly



2

Bank Reconciliations

- R.S. 10:4-406(d)(2) allows the entity thirty days to examine bank statements and canceled checks for unauthorized signatures or alterations. After thirty days, the entity is precluded from asserting a claim against the bank for unauthorized signatures or alterations.
- The preparer should also research reconciling items that are outstanding for more than six months to determine if the checks need to be voided and reissued or whether the funds need to be submitted to the State Treasurer in compliance with unclaimed property laws.
- Once the reconciliation is prepared, the preparer should sign/initial and date (or electronically log completion).

3



Bank Reconciliations

- The completed bank reconciliation, bank statement, and supporting documentation should be immediately reviewed by a designated official who is knowledgeable about the entity's operations but does not handle cash, post ledgers, or prepare checks.
- Once the reconciliation is reviewed, the reviewer should sign/initial and date (or electronically log completion).
- The entity should review securities pledged by financial institutions at least monthly to ensure that bank balances and investments are adequately secured and that the types of securities pledged comply with R.S.39:1221.

4



Board Meetings

- Board meetings should be held monthly.
- Written public notice must be given for all regular, special, or rescheduled meetings and comply with R.S. 42:19.
- The board members and chief executive must comply with all provisions of the Open Meetings Law, including notices of meetings and agendas, quorums, public participation, executive sessions, voting, and written minutes.
- The board should publish minutes, ordinances, resolutions, budgets, and other official documents in the entity's official journal as required by law. (R.S. 43:143 - 144) If the entity also has a website, the minutes should be posted on the website in accordance with law.

5



Board Reports

- LLA recommends that the official responsible for budget preparation, report budget-to-actual comparisons for the General Fund, special revenue funds, and any other large funds (including proprietary and fiduciary funds) to the governing authority on a monthly basis.
- LLA also recommends that the board receive and review a (1) monthly Balance Sheet; (2) Statement of Revenues, Expenditures, and Changes in Fund Balance; (3) listing of accounts payable; and (4) listing of customer accounts receivable.
- The mayor or clerk is to formally present the monthly financial statements and budget comparisons to the board/council, including any warnings of corrective/remedial action needed (e.g., amend the budget). Discussion of the monthly financial statements and budget comparisons should be on the meeting agenda and the written minutes should reflect such discussion.
 - Corrective/remedial actions – A written report of the status of resolving audit findings per the corrective action plan should be presented to the governing body monthly until the findings are considered fully resolved.

6



Payroll

- Time Sheets

- Each employee should complete and sign a time sheet, including daily hours worked, beginning and ending work times, break and lunch times, and leave (e.g., annual and sick) taken. If not using timesheets, employees must otherwise certify that they have worked their required hours.
- The Louisiana Attorney General (AG) has noted that time sheets or a similar form of documentation are required to document and substantiate the accrual of leave (AG Opinions 15-186, 99-397, and 94-284). Further, the AG has noted that payment for work that is not performed is a prohibited donation of public funds under Article VII, Section 14 of the Louisiana Constitution and may constitute public payroll fraud under Louisiana Revised Statute 14:138 (AG Opinion 86-652). Therefore, there should be some form of documentation and adequate supervision to ensure that the salaried employee is working the scheduled hours upon which their salary is based. Time sheets are generally not required for elected officials, unless the official is earning leave.

7



Payroll

- Each pay period, management should generate and review a report showing all changes made to payroll data (employees added/deleted and pay rate changes), including comparing the changes made per the log with proper documentation such as approved pay rates, by someone independent of the payroll function. Management should document its review in writing and investigate/resolve undocumented or improper changes to payroll data. Management should also review the regular payroll registers to confirm that improper payments are not being issued to terminated employees and that any termination payments have been properly approved in accordance with policy.
- Transmit state & federal payroll taxes after each payroll run.

8



Accounts Receivable

- Reconcile the accounts receivable balance in the general ledger monthly with the detailed accounts receivable listing.
- Reconcile the meter deposit liability in the general ledger monthly with the detailed listing of customers’ meter deposits and the related cash in bank.
- Reconcile the units of water produced with the units of water billed to customers.
- These are examples. Each entity will have a different accounts receivable. Not reconciling your accounts receivable on a monthly basis is a fraud risk factor.

9



Quarterly



10



Payroll Reports

- Submit Quarterly Wage Report to the Louisiana Department of Labor.
 - Wage and tax reports are due within 30 days after the end of the quarter being reported.
 - Payments made after the due date will be assessed interest and penalty charges, per R.S. 23:1543(A).
- Submit Form 941 Quarterly Wage Report to the Internal Revenue Service.
 - File Form 941 by the last day of the month that follows the end of the quarter. See [Publication 15, \(Circular E\) Employer's Tax Guide](#), for more information.

11



Payroll Reports

- Submit L-1 to Louisiana Department of Revenue.
 - Employers are required to file Form L-1, Employer's Return of Louisiana Withholding Tax. Every employer who withholds or who is required to withhold Louisiana income tax from wages of employees must file a withholding return. Any employer who fails to withhold and pay amounts required to be withheld is personally liable for such amounts.
 - Each Form L-1 covers one quarterly period and must be filed by the last day of the month following the close of the calendar quarter except for semi-monthly payers. Semi-monthly payers must file Form L-1 by the fifteen of the month following the close of the quarter.

12



Debt Service

- Ensure that debt service payments are made in a timely manner. These are usually due quarterly. Payments may be for interest only or interest and principal.
- The entity must meet all debt service requirements, including principal, interest, premiums, or other payments. If the entity does not meet its debt service requirements, the chief executive must notify the SBC, in writing. The chief executive must also notify the Legislative Auditor, in writing, either on or before 120 days before the due date of such payment, or as soon as the officers of the governing authority know, or have good reason to know, that such failure is reasonably likely to occur, whichever occurs last.
- If debt service is funded by a tax millage, the entity should not collect more in taxes than is reasonable for debt service. As a best practice, the LLA suggests no more than one year of excess collections before the entity should reduce its millage to a more reasonable level. If the related debt has been paid off, the entity must stop collecting the millage and the over collected amount may need to be refunded to taxpayers.

13



Grants

- Grant budgets should be reviewed and revised quarterly.
- School Boards – Periodic Expense Reports (PER) must be submitted quarterly

Investments

- Provide a list of investments to the governing board quarterly.

14



Annually

January							February							March							April						
1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
8	9	10	11	12	13	14	8	9	10	11	12	13	14	8	9	10	11	12	13	14	8	9	10	11	12	13	14
15	16	17	18	19	20	21	15	16	17	18	19	20	21	15	16	17	18	19	20	21	15	16	17	18	19	20	21
22	23	24	25	26	27	28	22	23	24	25	26	27	28	22	23	24	25	26	27	28	22	23	24	25	26	27	28
29	30	31					29	30	31					29	30					29	30						

May							June							July							August						
1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
8	9	10	11	12	13	14	8	9	10	11	12	13	14	8	9	10	11	12	13	14	8	9	10	11	12	13	14
15	16	17	18	19	20	21	15	16	17	18	19	20	21	15	16	17	18	19	20	21	15	16	17	18	19	20	21
22	23	24	25	26	27	28	22	23	24	25	26	27	28	22	23	24	25	26	27	28	22	23	24	25	26	27	28
29	30	31					29	30						29	30						29	30					

September							October							November							December						
1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7	1	2	3	4	5	6	7
8	9	10	11	12	13	14	8	9	10	11	12	13	14	8	9	10	11	12	13	14	8	9	10	11	12	13	14
15	16	17	18	19	20	21	15	16	17	18	19	20	21	15	16	17	18	19	20	21	15	16	17	18	19	20	21
22	23	24	25	26	27	28	22	23	24	25	26	27	28	22	23	24	25	26	27	28	22	23	24	25	26	27	28
29	30						29	30	31					29	30						29	30	31				

15



Budgets

- Local Government Budget Act - R.S. 39:1301-1315
- Lawrason Act municipality budget requirements – R.S. 33:404(A)(5)
- The entity’s chief executive or administrative officer for political subdivisions (e.g. mayor, director), elected official (e.g. sheriff), or school board superintendent is responsible for preparing an annual budget and budget message under the Local Government Budget Act (LGBA) for the General Fund and special revenue funds. The mayor of a Lawrason Act municipality is also responsible for preparing an annual operations budget (generally the same as the General Fund budget) and a capital improvements budget.

16



Budgets

- Budgets should be adopted prior to the beginning of the fiscal year (R.S. 39:1309). School boards must adopt the budget by September 15th (R.S. 17:88(A)).
- The governing authority or elected official must adopt the General Fund and special revenue funds budgets using one of the following methods:
 - Lawrason Act municipalities – Ordinance must be passed in an open meeting before end of prior fiscal year.
 - Elected Officials (e.g., Sheriff) – Letter authorizing implementation signed by elected official. No public meeting is required.
 - School Boards – Resolution passed in an open meeting by September 15 of the fiscal year. Proposed budget must also be sent to State Superintendent by September 30th for approval.
 - Parishes – Ordinance or resolution passed in an open meeting prior to the 30th day of a new fiscal year.
 - Other Political Subdivisions – Ordinance or resolution passed in an open meeting before end of prior fiscal year.

17



Budgets-Public Inspection

- The official responsible for budget preparation must complete the budget, submit it to the governing authority (e.g., council, board of aldermen), and make it available for public inspection, as follows:
 - Lawrason Act municipalities – no later than 15 days prior to beginning of fiscal year;
 - Elected Officials – no later than 15 days prior to beginning of fiscal year (no separate governing authority);
 - School Boards – no later than 15 days prior to date of adoption (by September 15th of fiscal year);
 - Parishes – Prior to 15th day of fiscal year; and
 - Other Political Subdivisions – no later than 15 days prior to beginning of fiscal year.

*Note: Public notice must be given in the official journal if total proposed expenditures are \$500,000 or more for the General Fund or any special revenue fund

18



Budgets-Public Hearing

- The governing authority or elected official must hold a public hearing if total proposed expenditures are \$500,000 or more for the General Fund or any special revenue fund. The public hearing must be held prior to September 15th of the fiscal year for school boards and no sooner than 10 days after publication (of notice that budget is available for public inspection) for other entities.
- Once the public hearing has been held, the governing authority or elected official must certify completion of the public process as a notice in the official journal.



19



Budget Amendments

- Budgets should be amended in accordance with R.S. 39:1310 – 1311.
- Once the governing authority has been notified of a 5% variance or a change in operations upon which the original budget was developed, the governing authority must amend the budget. The amendment must be adopted at a public meeting after publication of the agenda (or published in the official journal for elected officials), and amendments to the adopted budget must be done through ordinance and in accordance with the provisions of the LGBA.

20



Sexual Harassment Training

- R.S. 42:341-344, or “Prevention of Sexual Harassment,” became effective January 1, 2019. The provisions of this law impact all public officers and employees, departments, offices, divisions, agencies, commissions, boards, committees, and other organizational units of the State of Louisiana or political subdivisions.
- **Mandatory Training Requirements – R.S. 42:343**
 - Each public servant shall receive a minimum of one hour of education and training on preventing sexual harassment during each full calendar year of his public employment or term of office, as the case may be.
 - An agency head shall require supervisors and any persons designated by the agency to accept or investigate a complaint of sexual harassment in his agency to receive additional education and training.
 - The agency head, or his designee, shall be responsible for maintaining records of the compliance of each public servant in the agency with the mandatory training requirement. Each public servant's record of compliance shall be a public record and available to the public in accordance with the Public Records Law.
 - Each agency head shall ensure that its policy against sexual harassment and its complaint procedure is prominently posted on its website or, if the agency does not have a website, that a notice on how to obtain the information is posted in a conspicuous location in each of the agency's offices.

21



Sexual Harassment – Mandatory Reports

- R.S. 42:344: Each agency head shall compile an annual report by February 1st of each year containing information from the previous calendar year regarding his agency's compliance, including:
 - The number and percentage of public servants in his agency who have completed the training requirements;
 - The number of sexual harassment complaints received by his agency;
 - The number of complaints which resulted in a finding that sexual harassment occurred;
 - The number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - The amount of time it took to resolve each complaint.
- These reports shall be public record and available to the public in the manner provided by the Public Records Law.
- Local government entities can find an example report on the Louisiana Municipal Association’s website at:

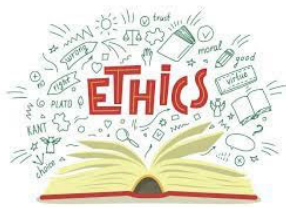
https://www.lma.org/LMA/Publications/Legal_Documents/LMA/Publications/Legal_Assistance.aspx?hkey=23fb60cf-1ce2-43c5-9abe-9f6a7738259b

22



Ethics

- Louisiana Code of Governmental Ethics is found in R.S. 42:1101 et seq.
- As a best practice, LLA recommends that each official and employee should annually attest through signature verification that he or she has read and agrees to comply with the entity's ethics policies.



23



Performance Evaluations

- The entity should conduct annual performance evaluations for its employees, including management. These evaluations provide management with an opportunity to address compensation, training, and/or disciplinary issues.
- As part of the annual performance evaluation, each employee should sign an "annual certification form" acknowledging that the employee agrees to comply with entity policies and procedures, including employee, operations, safety, IT and/or travel handbooks, as applicable.



24



Ad Valorem Taxes

- RS 47:1705(A) & RS 11:1481(1)(a)(ii)(aa) - Requires all tax recipient agencies of ad valorem taxes of every parish, excluding Orleans, to adopt an ordinance or resolution each year with the millage rate to be applied to the assessed value. The authorizing ordinances or resolutions are required to be furnished to the assessor and the legislative auditor no later than June 1 of each year and no later than September 1 of each year for St Charles Parish only.
- Website for additional information - <https://www.lla.la.gov/resources/assessors-and-millages/millage-workshops>

25



Audits

- Annual financial reporting provides accountability and is required by state law [Louisiana Revised Statute (R.S.) 24:513]. Annually, the board is to approve the engagement of an independent certified public accountant to perform the municipality's audit which is also subject to the approval of the Louisiana Legislative Auditor.
- State law requires that the auditor be provided with all the books and records needed to perform the audit and R.S. 24:518 provides penalties for failure to do so. The audit must be completed and submitted to the Legislative Auditor no later than six months after the close of the fiscal year [R.S. 24:513(A)(5)(a)(i)]. However, the municipality may have an extension at any time after a disaster or emergency is declared under the provisions of R.S. 29:724(B)(1) which prevents the municipality from completing its report within six months of the close of the fiscal year.

26



Audits – Compliance Questionnaire

- A Louisiana Compliance Questionnaire is to be completed as a required part of a financial audit of Louisiana state and local government agencies. The completed and signed questionnaire must be presented to and adopted by the governing body, if any, of your organization by means of a formal resolution in an open meeting. Independently elected officials should sign the document, in lieu of such a resolution.
- The completed and signed questionnaire and a copy of the adoption instrument, if appropriate, must be given to the auditor at the beginning of the audit.

27



Miscellaneous Annual Tasks

- Prepare Grant Budgets.
- Prepare and distribute W-2s.
 - Due January 31st to employees, IRS and Louisiana Department of Revenue.
- Prepare, distribute and file Form 1095C.
 - 1095 forms delivered to employees by January 31st.
 - For calendar year 2022, Form 1095C is required to be filed with the IRS by February 28, 2023, or March 31, 2023, if filing electronically.
- Prepare, distribute and file Form 1099.
 - Due to recipients and IRS by January 31st.

28



My Challenge to You

- Prepare your own task list.
- Prepare detailed directions for performing each task.
- Don't get caught unprepared!



29



CONTACT INFORMATION:

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30

