

Agency Name and Address:

Louisiana Motor Vehicle Commission
3519 12th Street
Metairie, Louisiana 70002-3427

Website: www.lmvc.la.gov

Solicitation Number: 13-3458

Type of Engagement: Audit

Contract Period: June 1, 2013 – September 1, 2015

Periods to be Examined: Years ending June 30, 2013; June 30, 2014; and June 30, 2015

Description of the State Agency:

- Louisiana Motor Vehicle Commission was created within the Office of the Governor as provided by Louisiana Revised Statute (R.S.) 32:1251. The commission is responsible for licensing and regulating new motor vehicle manufacturers, distributors and their representatives; new motor vehicle dealers and their salesmen; motor vehicle lessors and their agents; used motor vehicle facilities of the new motor vehicle dealer, motor vehicle lessors, and specialty vehicle dealers and their salesmen; motor vehicle convertors; specialty vehicle dealers and their salesmen; brokers, lease facilitators, motor vehicle lessor franchisors, satellite warranty and repair centers; vehicle protection product warrantors; recreational products dealers and manufacturers and their salesmen and representatives including: all-terrain vehicles; all-terrain trailers; boats; boat packages; marine motors; marine products; motorcycles; recreational vehicles (motor homes, travel trailers, fifth-wheel travel trailers, folding camper trailers, slide-in truck campers); trailers (utility trailers, boat trailers, recreational trailers, semitrailers, livestock trailers, dump trailers); companies financing motor vehicles; companies who finance motor vehicles; and GAP administrators, to prevent fraud, impositions and other abuses upon the citizens of Louisiana and avoid undue control of the independent motor vehicle dealer by the motor vehicle manufacturing and distributive organizations and foster and keep alive vigorous and healthy competition by prohibiting unfair practices by which fair and honest competition is destroyed or prevented, to protect the public against the creation or perpetuation of monopolies and the practices detrimental to the public welfare, to prevent the practice of requiring the buying, leasing or renting of special features, appliances and equipment not desired or requested by the purchaser, lessee or renter, to prevent false and misleading advertising, to prevent unfair practices by the motor vehicle dealers, lessors, manufacturers and distributing organizations, to promote the public safety and prevent disruption of the system of distribution of motor vehicles to the public and prevention deterioration of facilities for servicing motor vehicles and keeping same safe and properly functioning, to prevent bankrupting of motor vehicle dealers and lessors who might otherwise be caused to fail because of such unfair practices and competition, thereby resulting in unemployment, disruption of leases and nonpayment of taxes and loans, and contribute to an inevitable train of undesirable consequences, including economic depression.

- Beginning January 1, 2011, licenses are issued for a two-year term initially staggering the licenses so commission districts 1,3,5, and 7 will be issued a one-year license in 2011 and a two-year license thereafter. There are approximately 17,228 licenses currently issued. The commission uses an automated system to track licenses that is integrated with the accounting system.
- The commission is composed of 18 members who are appointed by the governor. Members are authorized by R.S. 32:1253(C) to receive a per diem of \$50 for each day spent engaged in commission business. In addition, members shall be reimbursed for actual expenses and mileage in accordance with state travel regulations as prescribed by the Division of Administration.
- The commission holds 12 board meetings per year. At each meeting, the commission reviews financial and budget reports.
- The commission has 17 full-time employees. The accounting functions are performed by the accounting technician.
- The commission has one bank account and one certificate of deposit. The commission issues approximately 110 checks each month. Two signatures are required on checks. The executive director, assistant director, and accountants are authorized to sign checks. Supporting documentation is provided to the individual signing the check. The accounting technician reconciles the bank statements.
- The Division of Administration, Office of Statewide Accounting and Reporting Policy's Annual Fiscal Report (AFR) packet, which is a statutory basis report, should be included in the report as supplementary information.
- Operations of the commission are primarily funded by license fees. The commission is engaged in business-type activities. The following activity/balances were reported as of and for the year ended June 30, 2012:

	<u>Statement of Net Assets/ Statement of Revenues, Expenses and Changes in Net Assets</u>
Total Assets	\$2,262,798
Total Liabilities	\$1,033,102
Net Assets	\$1,229,696
Revenues	\$2,362,215
Expenses	\$1,979,249

Accounting System: Automated

Financial Statements: The commission will provide a general ledger and a trail balance.

Estimated Start of Fieldwork: No later than July 15 following each period

Engagement Completion Date: No later than September 1 following each period

Special Requirements:

- The successful ICPA will assist the commission in compiling the financial statements in accordance with GAAP, to include appropriate note disclosures, for each period.
- The successful ICPA will assist the commission in preparing the AFR packet.

State Agency Assistance: The commission will provide supporting schedules as required.

Last Engagement: Audit as of and for the period ended June 30, 2012

Results of Last Engagement:

- Unqualified opinion
- One finding and one management letter comment
 - Internal controls related to financial statement preparation – SAS 115 (finding)
 - Unearned collections (management letter comment)

Prior Auditor: Griffin & Company, LLC
Post Office Box 983
Mandeville, Louisiana 70470

Prior Engagement Fee: \$5,500 (approximately 80 hours)

Proposers' Conference:

- A proposers' conference will **not** be held.
- Any questions regarding the SFP or state agency should be sent to Nancy Clement at nclement@lla.la.gov.

Proposal Due Date and Time: Monday, May 6, 2013; 5:00 p.m.