



LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

August 21, 2013

The Honorable Craig McGehee, Mayor,  
and Board of Aldermen  
Town of Killian  
Post Office Box 546  
Springfield, Louisiana 70462

Dear Mayor McGehee:

As you are aware, my Advisory Services staff visited the Town of Killian (Town) to follow up on the resolution of findings that were disclosed in the Town's 2012 audit report. My advisors completed their assessment and recently discussed their findings and recommendations with you, the town clerk, and the former mayor. This follow-up letter summarizes the results of our advisory work which shows that the Town has yet to resolve all findings. We stress the importance of addressing these issues and encourage you to consider our recommendations as you work to resolve the following:

- Lack of written policies and procedures to guide all business/financial operations
- Lack of controls related to recording, processing, summarizing, and reporting financial information (e.g., no policies and procedures to guide accounting processes)
- Property tax bills not reconciled/agreed to amounts recorded in the Town's general ledger
- Utility accounts receivable balance in the general ledger not properly reconciled each month to the detailed accounts receivable customer listing (subsidiary ledger)
- Town not charging the 10% late fee on each past due water bill as required by Town Ordinance #184-11
- Lack of controls over collections on past due utility accounts
- General Fund budget for the 2013 fiscal year not amended when expenditures exceeded budgeted amount by 5%, as required by state law (Louisiana Revised Statute 39:1311)

The Honorable Craig McGehee, Mayor,  
and Board of Aldermen  
Town of Killian  
August 21, 2013  
Page 2

We encourage you and the Board to work together to bring appropriate resolution to these internal control and compliance deficiencies as soon as possible. My staff will be monitoring the resolution of these issues, and if you have any questions about the assessment, please call Mike Battle or Glenda LeBlanc at 225-339-3800.

Respectfully submitted,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is written in a cursive, flowing style.

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

DGP/ch

KILLIAN 2013