



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

March 5, 2014

The Honorable April Foulcard, Mayor
City of Jeanerette
Post Office Box 209
Jeanerette, Louisiana 70754

Dear Mayor Foulcard:

As you are aware, members of my Advisory Services staff visited the City of Jeanerette (City) to assess certain matters that were reported to my office. In addition, we assessed management's resolution of the findings that were disclosed in the City's 2012 audit report. My staff completed its assessment and discussed its findings and recommendations with you, the Mayor Pro Tempore, and the City Clerk. This letter summarizes the results of our work. We encourage you to consider our recommendations as you work to resolve the control deficiencies and compliance issues in the following areas:

- The City's written policies and procedures did not cover all critical business/financial operations of the City (e.g., budgeting; public bid law; nature, extent, and frequency of financial reporting; ethics requirements).
- Accounting duties were not adequately segregated between employees (e.g., payroll clerk was also reconciling payroll bank statements).
- The City's bank statements had not been reconciled in well over a year (since June 30, 2012).
- A log book of accounts receivable (e.g., franchise fees and sales tax) was not being maintained as required by policy. Consequently, the City did not have an accounts receivable log book available to reconcile monthly to the general ledger.
- Certain online payments made to vendors were not recorded in the general ledger. Also, the City was not reconciling its accounts payable listing to the general ledger on a monthly basis.
- Customer meter deposits recorded in the Utility billing system were not being reconciled monthly to the respective general ledger balance and to the meter deposit bank account.

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- In 2013, the City was delinquent in filing its 3rd quarter payroll report (Form 941) with the Internal Revenue Service.
- Contrary to state law [La. R.S. 39:1305 (C)], the General Fund budget (as adopted by ordinance) for the 2013-2014 fiscal year was not balanced. The budget reflected deficit spending and it did not include all elements required by the Local Government Budget Act (La. R.S. 39:1305).
- The City had not implemented adequate controls to ensure that its fixed assets (e.g., equipment) were properly accounted for and safeguarded (e.g., assets not tagged and not reconciled with accounting records).
- The City had not implemented adequate controls over fuel (e.g., no formal review and monitoring of usage).
- The City did not require all employees to complete and submit time sheets to document their attendance.
- The City's office staff had difficulty locating certain records for our review in a timely manner.
- The City did not have a records retention schedule approved by the Secretary of State's office as required by law (La. R.S. 44:411).
- The City's lease agreement for the use of the former Fruit of the Loom Plant contained lease dates that were different from the dates shown in the City's ordinance.
- The City was not performing a review to ensure that all new employees were added to the City's health plan and that all premiums were being paid timely.

My staff will be monitoring the resolution of these issues. If you have any questions about the assessment, please call Stuart Dickey or Mike Battle at 225-339-3800.

Sincerely,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

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CITY OF JEANERETTE 2014
cc: Board of Alderman