

ACT 774 ANNUAL REPORT



INFORMATIONAL REPORT  
ISSUED NOVEMBER 2, 2016

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LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

November 2, 2016

**THE HONORABLE PATRICIA P. BRISTER,  
ST. TAMMANY PARISH PRESIDENT  
THE HONORABLE MARTY DEAN,  
CHAIRMAN, ST. TAMMANY PARISH COUNCIL**

Dear President Brister and Chairman Dean:

Attached is the first annual report on the results of Act 774 (Act) of the 2014 Regular Legislative Session, as amended. The Act provides my office the authority to establish the criteria for procedures that shall be performed in addition to annual reporting requirements for entities within St. Tammany Parish with governmental revenues of \$75,000 or more per fiscal year.

The report summarizes my office's risk assessment process, assignment of procedures to be performed relative to the Act, and the results of those assigned procedures. Appendix A contains a complete listing of entities subject to the Act, as well as the results of procedures, by entity.

I hope this report will benefit you in your decision-making processes, assist in protecting public assets, and improve transparency and accountability in parish government. I would also like to express my appreciation to the St. Tammany Parish Government and Council for their support during this first year of implementation.

Respectfully submitted,

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

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ACT774



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# Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE

Act 774 Annual Report

November 2016



Audit Control # 70160004

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## History and Requirements

During the 2013 Regular Legislative Session, the Senate passed a concurrent resolution to form the St. Tammany Parish (Parish) Office of Inspector General Task Force (task force). This resolution was initiated by a group of concerned Parish citizens in response to publicized issues in some Parish governmental entities. The task force was comprised of 23 Parish representatives who worked to develop a means for the Parish to take a proactive role in the protection of public funds as well as fostering transparency and accountability in Parish government.

Instead of creating an Office of Inspector General, the task force's efforts resulted in the passage of Act 774 of the 2014 Regular Legislative Session (Act). The Act, as amended, provides in part that the Louisiana Legislative Auditor (LLA) shall establish the criteria for procedures that shall be performed in addition to annual reporting requirements for entities with governmental revenues of \$75,000 or more per fiscal year. Based on LLA's evaluation, 74 entities within the Parish were found to be subject to additional LLA risk assessment as required by Act 774. The requirements of this Act were written to only apply to St. Tammany Parish.

## Risk Assessment

LLA conducted individualized assessments for each of the 74 entities identified. The assessments were used to develop and assign financial procedural areas for each entity. These procedural areas were assigned based on high-risk indicators identified either within the entity itself or areas that LLA has found to be high-risk in other similar governments. We chose this methodology to allow for more extensive testing in high-risk areas that may not be tested in a traditional audit. The following factors were used in our risk assessment process:

- A detailed review of each entity's financial statements;
- An assessment and review of a best practices questionnaire completed by each entity;
- A review of the contracted Certified Public Accountant's (CPA) working papers for the most recent year's financial and compliance audit;
- Conversations with contract CPAs to obtain more detailed information and dollar amounts for financial areas considered to be high-risk; and

- Consideration of any allegations reported to our office or identified by other means.

Using this process, we determined which entities would be evaluated by our office, as well as those that would be contracted to independent CPAs, as follows:

- Sixty-three entities were subjected to agreed-upon procedures (AUP) performed by independent CPAs (60) and LLA (3).
- Eight entities were required to complete and return an ethics questionnaire packet to LLA.
- Three entities were subjected to only a limited LLA internal assessment.

## Procedural Areas and Results

As of September 30, 2016, LLA has issued 61 AUP reports, as follows:

- Fifty-eight of the 60 entities' AUPs performed by CPAs have completed reports. The remaining two entities (Housing Authority of Slidell and St. Tammany Parish Drainage District No. 4) have not submitted reports.
- All three of the entities' AUPs performed by LLA have completed reports, including an investigative report on St. Tammany Parish Recreation District No. 4.

LLA determined the number and types of agreed-upon procedures that would be performed at each of the Parish entities. The number of procedural areas at each entity ranged from one to eight, based on the size and complexity of the entity. For the sixty-one reports issued, the procedural areas and number of entities to which they were assigned is as follows:

- Credit Cards – 46 entities (35 with one or more exceptions)
- Cash Receipts/Collections – 11 entities (10 with one or more exceptions)
- Ethics – 9 entities (8 with one or more exceptions)
- Contracts – 9 entities (7 with one or more exceptions)
- Payroll – 8 entities (4 with one or more exceptions)
- Fueling Station – 7 entities (6 with one or more exceptions)
- Travel and Expense Reimbursement – 5 entities (2 with one or more exceptions)
- Payables/Expenses – 4 entities (2 with one or more exceptions)
- Capital Assets – 3 entities (2 with one or more exceptions)

- Facility Rental/Usage – 3 entities (2 with one or more exceptions)
- Financial Management – 3 entities (2 with one or more exceptions)
- Leave Balance and Payout – 3 entities (2 with one or more exceptions)
- Fund Balance Policy – 2 entities (1 with an exception)
- Utility Payments/Cut-Off – 2 entities (1 with an exception)
- Agency Fund Fines and Costs – 1 entity
- Grants – 1 entity
- Information Technology – 1 entity
- Property Assessments – 1 entity (with an exception)
- Millage Rates – 1 entity
- Property Transfers – 1 entity
- Controls over Traffic Tickets – 1 entity (with an exception)
- Telephone Expenses – 1 entity (with an exception)
- Dental Patient Verification – 1 entity
- Public Bid Law – 1 entity (with an exception)
- Bank Reconciliations – 1 entity (with an exception)
- Board Governance and Management – 1 entity (with an exception)
- Record Keeping – 1 entity (with an exception)
- Housing Authority Partnership Agreement – 1 entity (with an exception)
- Housing Authority Tenant Eligibility – 1 entity (with an exception)

Within these procedural areas, the most common deficiencies identified by LLA and CPAs included a lack of written policies and procedures, lack of understanding of ethics requirements, lack of supporting documentation for credit card purchases, and lack of written supervisory review/approval. Other deficiencies included:

- Cash advances made on a credit card
- Finance charges and/or late fees paid on credit card accounts
- Improper reimbursement of travel expenses

- Overpayment of accrued leave
- Inadequate reconciliation of inventory
- Inadequate controls over fueling stations
- Improper adjustments to utility billings

**A complete listing of entities and results of procedures is located in Appendix A.**

## Impact of Procedures

LLA is preparing for the second year of Act 774 procedures by meeting with CPAs, rotating procedures, adjusting for lessons learned, implementing new initiatives, and issuing agreed-upon procedures reports concurrent with audit reports.

Based on common deficiencies identified during this first year of implementation, LLA created the Center for Local Government Excellence (CLGE) to provide training to local governments. The CLGE is a hands-on free training program initially offered in a two-day “Level 1” workshop format. It is anticipated that, in the future, the CLGE will be expanded to include Level 2 and Level 3 classes as part of a certification program for local government officials and their staffs. The training is led by LLA staff from various service areas.

The Level 1 courses introduce the basics of internal control, accounting and financial reporting, and legal issues faced by local government officials and their staffs. Specific course objectives are for participants to:

- Have a working knowledge of internal controls and best practices;
- Understand the basics and intricacies of the Open Meetings, Public Records, Public Bid and Donations (Cabela) laws;
- Review recent changes in Employment Law, along with compliance and administration;
- Understand governmental financial statements including the basic fund types;
- Be familiar with the Local Government Budget Act and understand the budgeting process;
- Understand the powers and responsibilities of elected and appointed officials; and
- Be able to take the knowledge and skills gained back to their respective departments.

Level 1 training sessions were held twice in St. Tammany Parish in the fall of 2015; one was held in Bossier City in March 2016; one was held in Monroe in August 2016; and another was

held in Lafayette in October 2016. LLA intends to expand the Level 1 sessions to other areas of the state in upcoming months.

## Cost

During the December 9, 2013, general meeting of the St. Tammany Parish Office of Inspector General Task Force, Mark Wright, chair of the finance committee, suggested that \$1.4 million would be needed to fund a parish-wide Inspector General's Office. He based this estimate on his committee's research using an estimated cost per capita of Inspector General Offices throughout the state and country and included a staff of eight to nine with building rental and legal fees. The actual cost for the first year of operations using LLA and various local CPA firms was less than \$300,000.



## APPENDIX A: SUMMARIZED RESULTS OF AGREED-UPON PROCEDURES, BY ENTITY

As of September 30, 2016, the Louisiana Legislative Auditor has issued 61 reports relating to Act 774. The summarized results of the agreed-upon procedures performed at each Parish entity and exceptions noted are as follows:

1. **Amplify Resources Inc. – Pride Youth and Community Resources:**

- Cash Receipts/Collections - Cash receipt books were not used; however, the entity rarely collects cash.

2. **City of Covington:**

- Credit Cards - Credit card policies did not address removal of signatory authorization upon employment termination or the approval required to open a credit card account.
- Controls over Traffic Tickets - Traffic ticket policies did not include the use of a separate cash drawer or a requirement to conduct surprise audits of cash receipts.

3. **City of Mandeville:**

- Utility Payments/Cut-Off - No exceptions noted.
- Facility Rental/Usage - Five meetings/events were tested, with one exception found regarding a payment received prior to an event date.

4. **City of Slidell:**

- Credit Cards - No written policies and procedures.

5. **District Attorney for 22nd Judicial District:**

- Credit Cards - Credit card policies did not address removal of signatory authorization upon employment termination.

6. **Florida Parishes Juvenile Justice District:**

- Credit Cards - No written policies and procedures.

- Seventy-six detailed credit card statements were reviewed, with two missing receipts. Also noted missing purchase requisitions.
  - Ethics - No record of annually-signed verifications that employees have read the ethics policy.
- 7. Food Bank of Covington:**
- Dental Patient Verification - No exceptions noted.
- 8. Habitat for Humanity St. Tammany West:**
- Credit Cards
    - The two largest statements for each card were reviewed. Of 96 transactions, seven had no receipts, two had no business purpose stated, and five instances were noted where there was no credit card authorization agreement in the employee's file.
    - Late fees and finance charges were assessed on some statements.
  - Payroll and Personnel - No exceptions noted.
- 9. Housing Authority of the City of Covington:**
- Credit Cards
    - No written list of all credit cards.
    - Two months' statements were reviewed for each credit card. Noted that four purchases were made for a component unit, and the component unit reimbursed the Housing Authority the following month.
  - Partnership Agreement
    - No provisions in document that shield Covington Community Corporation (blended component of Covington Housing Authority) from financial liabilities.
    - Approval for partnership not received from HUD.
  - Eligibility - Inadequate written policies and procedures to reject ineligible tenants.
- 10. Keep Louisiana Beautiful:**
- Credit Cards

- Two randomly-selected statements were reviewed. One transaction had no itemized receipt.
  - Late fees were assessed on one of the two statements.
  - Payroll and Personnel - No exceptions noted.
- 11. Lawyers' Assistance Program:**
- Credit Cards (only Debit Cards) - Inadequate written policies and procedures.
    - Two months' statements were obtained and tested. Of 29 transactions reviewed, seven had no itemized receipts, and 26 had no documentation of business purpose.
- 12. Louisiana Appellate Project:**
- Contracts/Leasing - No written policies for contracting or approved usage of software license.
  - Information Technology - No exceptions noted.
- 13. Northshore Families Helping Families, Inc.:**
- Credit Cards - An external fraudulent charge was discovered during a review of credit card statements. The executive director contacted the credit card company, and the fraudulent charge was removed from the bill. Not an exception.
- 14. Northshore Harbor Center:**
- Credit Cards - No exceptions noted.
  - Facility Rental/Usage - No exceptions noted.
- 15. Nutrition Education Services:**
- Credit Cards - Inadequate written policies and procedures.
  - Payroll and Personnel - No exceptions noted.
  - Travel and Expense Reimbursement - No exceptions noted.
- 16. Safe Harbor, Inc.:**
- Credit Cards - No exceptions noted.
  - Payroll and Personnel - No exceptions noted.

**17. Slidell City Court:**

- Credit Cards - No exceptions noted.
- Cash Receipts/Collections - For the civil fund, all transactions are reviewed daily, but there are no supervisory initials or signature to document review.

**18. Slidell City Marshal:**

- Cash Receipts/Collections - Inadequate written policies and procedures.
  - Two pre-numbered cash receipts were missing during the two months tested.
  - Nightly cash drawer counts are not performed.
  - Deposits were not made within a specific timeframe as required by written policies and procedures.

**19. St. Tammany Children's Advocacy Center:**

- Credit Cards - Inadequate written policies and procedures.
  - Three receipts were missing, and one was insufficient.
  - Six purchases were made and approved for payment by the same person.

**20. St. Tammany Parish Assessor:**

- Property Assessments - Out of five properties reviewed for homestead exemptions, one did not have a homestead exemption form on file.

**21. St. Tammany Parish Clerk of Court:**

- Credit Cards - Inadequate written policies and procedures.
- Ethics - No exceptions noted.
- Cash Receipts/Collections
  - Daily cash drawer counts are not done by some departments.
  - Four of 11 departments do not keep running logs of cash counts to note overages or shortages.

**22. St. Tammany Parish Communications District No. 1:**

- Credit Cards

- No original itemized receipt for two charges.
- No documentation that credit card statement for one employee was reviewed by someone else.
- Fund Balance Policies - No exceptions noted.

**23. St. Tammany Parish Coroner:**

- Credit Cards - Inadequate written policies and procedures.
  - Noted two instances where receipts were not included with monthly statements.
- Payables/Small Expenses - No exceptions noted.

**24. St. Tammany Parish Council:**

- Contracts/Leasing
  - While the Council's manual does not specifically address leasing transactions, purchasing and contract management procedures adequately address leasing requirements. Not an exception.
  - While the control and oversight of significant contracts are performed by multiple departments, transactions are centralized through the purchase order process in the procurement department and payments are centralized in the finance department. Not an exception.
  - For one vendor selected, total payments were found to be in excess of \$10,000 but less than \$30,000, with no quote documentation available.
  - For one vendor with total payments greater than \$30,000, individual purchases were initially solicited for quotes but not publicly advertised or bid.
- Property Transfers - No exceptions noted.

**25. St. Tammany Parish Council on Aging:**

- Travel and Expense Reimbursement - Inadequate written policies and procedures.
- Credit Cards - No exceptions noted.

**26. St. Tammany Parish Development District:**

- Ethics - No written policies and procedures.

**27. St. Tammany Parish Economic Development Foundation:**

- Telephone Expenses - No written policies and procedures for cell phone expense reimbursements.

**28. St. Tammany Parish Fire Protection District No. 1:**

- Ethics
  - There is no requirement that all employees annually attest through signature verification that they have read the entity's ethics policy.
  - Of the five individuals selected for testing, three longtime employees did not have a signed verification form in their employee files.
- Financial Management - Monthly reconciliations of subsidiary accounts receivable balances to the general ledger were performed during assessment periods. Not an exception.
- Fueling Station
  - No written policies and procedures specific to the two fueling locations.
  - No written documentation of the supervisory review for fueling tickets.
  - The systems to assess fuel level do not provide sufficient readings to facilitate variance documentation and research to detect and assess the cause of fuel loss.
- Credit Cards
  - Individual Voyager receipts are not included with the monthly statement; however, the Voyager system provides detailed transaction listing by vehicle and is reviewed by the Chief of Administration on a monthly basis. Not an exception.
- Payables/Small Expenses - No exceptions noted.
- Fund Balance Policy - No written policy.

**29. St. Tammany Parish Fire Protection District No. 2:**

- Credit Cards
  - Credit card policies did not address the approval required to open a credit card account.

- No written indication of credit card statement and supporting documentation being reviewed and approved, prior to payment, by someone other than the person performing the transactions.
- For one month reviewed, a vehicle was filled twice on the same day.

**30. St. Tammany Parish Fire Protection District No. 3:**

- Fueling Station
  - No formal written policies and procedures; however, there was an internal memo which provided documentation of the procedures for fueling vehicles.
  - The District does not maintain log books for each vehicle.

**31. St. Tammany Parish Fire Protection District No. 4:**

- Credit Cards - Purchase receipts were not included with the monthly statements on several instances.

**32. St. Tammany Parish Fire Protection District No. 5:**

- Credit Cards - No written policies and procedures.
  - For the two statements reviewed for fuel cards, neither statement had supporting receipts nor was either statement reviewed and approved in writing.
  - No written approval on statements indicating whether management reviewed the statements prior to payment.

**33. St. Tammany Parish Fire Protection District No. 6:**

- Credit Cards - No exceptions were noted because the District does not use credit cards.
- Capital Assets
  - Most recent inventory not complete due to District not utilizing a physical inventory system.
  - Inaccurate and out of date records were noted in the District's inventory management system.
  - District does not utilize asset tags.

**34. St. Tammany Parish Fire Protection District No. 7:**

- Credit Cards - Credit card policies did not address removal of signatory authorization upon employment termination.
  - All individual transactions tested, except one, had a completed and approved Credit Card Reconciliation Form.
- Leave Balance and Payout - Leave policies did not specifically address the “pay out” of any unused leave balance upon employment termination.
- Fueling Station - No written policies and procedures.
  - No documentation of supervisory review.
  - The District does not maintain log books for each vehicle.
  - An employee’s time sheet was inaccurate as to shift trade and fuel used.
  - The District does not have a gallon restriction on fuel pumped for small equipment.

**35. St. Tammany Parish Fire Protection District No. 8:**

- Credit Cards - Inadequate written policies and procedures.
- Fueling Station - No written policies and procedures.
  - Fuel records not reviewed by management on a periodic basis.
  - The District does not reconcile manual fuel logs of odometer readings versus fuel dispensed.
  - The District does not track fuel used for small equipment.

**36. St. Tammany Parish Fire Protection District No. 9:**

- Credit Cards - No exceptions noted.
- Fueling Station - No exceptions noted.

**37. St. Tammany Parish Fire Protection District No. 11:**

- Credit Cards
  - Fuel card statements contain insufficient/inaccurate information.
  - Itemized receipts from fuel purchases are not retained and filed with fuel card statements.

- Late fees assessed on some fuel card statements.
- Ten debit card transactions had no itemized receipts supporting purchases.
- No documentation of business purpose was filed with the bank statement for two prepaid Visa card purchases.

**38. St. Tammany Parish Fire Protection District No. 12:**

- Credit Cards - No written policies and procedures.
  - Out of 96 transactions tested, 36 had no itemized receipt; 11 were recurring charges and had no receipt; 55 had no business purpose documented; and one transaction appeared to be a donation of public funds.
  - The donation of public funds mentioned above was for \$825. The District purchased two watches for retirees and paid for an engraving fee/set-up fee. Management responded that they were conferring with the Parish District Attorney to receive guidance on how to “rectify this transaction, including recouping the funds if necessary.”
  - Supervisory review and approval of statements was conducted without all transactions having detailed itemized receipts and stated business purposes.
- Fueling Station - No written policies and procedures.
  - No documentation of supervisory review.
  - No effective means of supervisory review for after-hour/off-duty usage.
  - No impromptu audits of fueling key possession.
  - No automated fuel management system and log books are not standardized or easily readable.
  - Out of 66 transactions examined, 10 had inaccurate or incomplete data.
  - The District does not have a gallon restriction on fuel pumped for small equipment.
- Ethics - Inadequate written policies and procedures.
  - Of the sample files for 10 individuals, four had no ethics training certificates.

- Financial Management - Inadequate written policies and procedures.
    - 2014 and 2015 budgets not in compliance with state required budget format and/or budget message.
  - Payroll and Personnel - Inadequate written policies and procedures.
    - Chief's time sheet is not reviewed.
- 39. St. Tammany Parish Fire Protection District No. 13:**
- Credit Cards - No exceptions noted.
  - Fueling Station - The District does not maintain mileage logs for the emergency vehicles.
- 40. St. Tammany Parish Hospital Service District No. 1 (St. Tammany Parish Hospital):**
- Payables/Expenses - Thirty-two entities were not included in the list provided by management of "Outside Business Interests" although they were valid businesses of immediate family members with more than a 25% controlling interest.
- 41. St. Tammany Parish Hospital Service District No. 2 (Slidell Memorial Hospital):**
- Payables/Expenses - Neither management nor the auditor could determine if 14 business interests should be included on the list of "Outside Business Interests."
  - Millage Rate - No exceptions noted.
- 42. St. Tammany Parish Library:**
- Credit Cards - Credit card policies did not address the approval required to open a credit card account.
    - Two months tested had finance charges/late fees assessed.
  - Travel and Expense Reimbursement - No exceptions noted.
- 43. St. Tammany Parish Mosquito Abatement District:**
- Credit Cards - Inadequate written policies and procedures.
    - Originally management did not provide LLA with a complete listing of all active credit cards.
    - Four credit cards were not maintained in the District's office safe as required by the Annual Credit Card Agreement.

- Out of 105 transactions tested, 58 were not supported by a purchase requisition, four were not supported by a purchase order, seven had no business purpose documented, and one had no itemized receipt.
- Regarding fuel purchases, 709 charges were reported on Fuelman statements for two months and were not supported by receipts turned in by employee, and therefore not maintained by the District; the calculated miles per gallon data shown on the statements for 75 gasoline charges did not appear reasonable; and a card designated for fueling District equipment was used three times to purchase gas for a vehicle.
- No documentation of supervisory review and approval on credit card statements.
- Public Bid Law
  - The District did not seek competitive bids for gasoline purchases.
- Capital Assets - Aircraft
  - A helicopter for the St. Tammany Parish Sheriff's office was stored in the District's airplane hangar. The Agreement between the District and Sheriff executed in 2010 will need to be redone in July 2016 when the new Sheriff takes office, ensuring that the Cooperative Endeavor Agreement is valid under law. Not an exception.
- Bank Reconciliations
  - No evidence of supervisory review/approval documented on the bank reconciliations and no evidence of supervisory review/approval documented on the monthly investment statements.
- Payroll and Personnel
  - The director does not document his daily time/attendance at work.
  - The time/attendance records of employees are not reviewed and approved by a supervisor.
  - The leave records of employees are kept manually and are not periodically reviewed and approved by the director/supervisor.
  - There is not a computer-generated report available that shows all changes made to payroll.
  - A contract (for computer services) was not executed/signed by the District's director, but rather was signed by an employee. Also, there was no evidence of director/board approval or legal review for this contract.

- A test of sick and annual leave earned by four employees revealed that two of the employees were given more annual leave than allowed by the District's policy.
- A job description was not available for the position of Research Assistant.
- Formal annual performance evaluations are not prepared and conducted on the director and employees.
- One termination payment was made by the District during the year and that payment appeared to include a \$3,300 error. There was no written evidence of supervisory approval on the documents supporting the calculation of the termination payment.
- Other Issues Identified
  - Significant Fund Balance Surplus (\$21.3 million)
  - Manual Accounting System
  - No Written Ethics Policy
  - Director Not Covered by Fidelity Insurance Bond
  - No Written Vehicle Take-home Policy

**44. St. Tammany Parish Recreation District No. 1:**

- Credit Cards - No exceptions noted.
- Contracts - No exceptions noted.
- Cash Receipts/Collections - Concessions and Gate Receipts
  - No reconciliation of purchasing and sales of physical inventory with expected concession ending inventories.

**45. St. Tammany Parish Recreation District No. 4:**

- Credit Cards
  - Between September 2014 and April 2016, District staff used the office-issued credit card to incur charges totaling \$27,136, and these charges lacked appropriate documentation to demonstrate their public purpose. The director also made personal purchases totaling \$1,463.
- Cash Receipts/Collections

- Between September 2014 and December 2015, the director and secretary converted \$2,800 in District funds to cash through bank withdrawals, cashed checks, and had a credit card cash advance. Although the director asserted that a majority of the funds were used for gate fee start-up cash, the District could not provide support for this claim or demonstrate that gate fee revenues were deposited into the District's bank account.
- Travel and Expense Reimbursement
  - Between August 2014 and March 2016, the District issued payments totaling \$4,417 for travel expenses without documentation to support the public purpose of the payments.
- Leave Balance and Payout
  - Between August 2014 and April 2016, the District paid the director for at least six days off for which he did not request leave. The director also did not complete time sheets to account for his time worked, and the District did not maintain records to indicate that the director accrued and used leave.
- Board Governance and Management
  - District Board and staff did not have clearly-defined responsibilities to ensure that the District is operating as effectively and efficiently as possible. Also, the District did not have written policies and procedures to address critical areas such as budgeting, financial reporting, and collections.
- Ethics
  - District did not ensure or clearly document that all of its employees received ethics training. Also, the District did not require board members and staff to sign a written annual certification confirming that they understand and will comply with all policies and procedures.
- Financial Management
  - District budget was not adopted by resolution and did not address all requirements of the Local Government Budget Act. The District also did not adopt a budget before the beginning of the fiscal year and did not discuss monthly budgetary variances during board meetings.
- Contracts
  - No written policies and procedures to address the board's responsibility for approving contracts. Also, the District did not formally monitor contractor performance and did not keep the board informed as to the status of contract deliverables.

- Payroll and Personnel
  - Time sheets were not completed by all employees, and completed time sheets were not always signed by employees or reviewed by management. Employees were not given annual evaluations, and all required personnel forms were not maintained in employee files.
- Capital Assets
  - District does not tag all equipment and does not conduct an annual inventory.
- Record Keeping
  - District did not maintain all records and did not consistently post minutes on its website. The District also did not have a records retention policy.

**46. St. Tammany Parish Recreation District No. 6:**

- Cash Receipts/Collections - Concessions and Gate Receipts
  - Inadequate written policies and procedures.
  - One of 32 transactions tested did not have supporting documentation for concession/gate revenues and deposits. One transaction did not have dual signatures as required by the District's policies and procedures.
  - The District does not perform a documented reconciliation of physical concession inventory with expected concession ending inventories.

**47. St. Tammany Parish Recreation District No. 11:**

- Credit Cards - Inadequate written policies and procedures.
  - One statement had finance charges assessed due to late payment.

**48. St. Tammany Parish Recreation District No. 12:**

- Credit Cards - No written policies and procedures.
  - One instance of no receipt documentation upon review of two monthly statements and three instances where business purpose was not documented.
- Cash Receipts/Collections - No written policies and procedures.

**49. St. Tammany Parish Recreation District No. 14:**

- Credit Cards
  - Eight purchases did not have an original itemized receipt.
  - Twenty-two purchases did not include a business purpose as part of the supporting documentation.
  - Sixteen purchases were not supported by the documentation required in the credit card policy.
  - None of the eight credit card statements reviewed included written documentation that the statements were reviewed.
  - Three of the credit card statements reviewed had finance charges assessed.
- Cash Receipts/Collections - Concessions and Gate Receipts
  - No reconciliation of purchasing and sales of physical inventory with expected concession ending inventories.
  - Thirty-four of the individual daily concession log sheets were not properly reviewed in accordance with the District's policies and procedures.

**50. St. Tammany Parish School Board:**

- Contracts - No written policies and procedures.
  - Control and oversight over contracts was not fully centralized in that all material contracts of the entity are not maintained in only one location. However, the School Board does exhibit aspects of centralization in that contract control, and oversight is performed at the department level. Each department head is responsible for ensuring the services/deliverables received and payments made complied with the terms and conditions of the department's contracts.
  - For the contracts tested, no written evidence is available that the entity's legal advisor reviewed the contract and advised entering into the contract.
- Facility Rental/Usage
  - No rental fees were charged for the five meetings or uses of St. Tammany Parish School Board facilities selected. Three of the facility uses were held by private or nonprofit organizations. The missions of two of the organizations were indirectly related to the governmental purpose of the School Board; however, the mission of the third organization was not in line with the governmental purpose of the School Board.

- One governmental organization used a School Board facility without the appropriate cooperative endeavor agreement in place. Additionally, its public purpose is not in accord with the governmental purpose of the School Board.

**51. St. Tammany Parish Sheriff:**

- Credit Cards
  - In a review of 250 transactions, travel expenses were found to have been duplicated on two employee expense reports.
  - Seven other credit card attributes were tested, including appropriate supporting documentation, business purposes, and proper authorization, with no exceptions noted.
- Agency Fund Fines and Costs
  - Only immaterial timing differences and total disbursed to the Sheriff was 12.4% vs. 12% due to fines being paid on payment plans and how software allocates payment under those plans. No exceptions were noted.

**52. St. Tammany Parish Tourist and Convention Commission:**

- Credit Cards - Credit card policies did not address the approval required to open a credit card account.
  - Out of 78 transactions tested, two had no receipts.
  - One statement had late fees.
- Ethics - Inadequate written policies and procedures.
- Contracts - Professional Services - Inadequate written policies and procedures.

**53. St. Tammany Parish Water District No. 2:**

- Credit Cards - Credit card policies did not address removal of signatory authorization upon employment termination.
  - One transaction was missing an itemized receipt, and one exceeded a threshold noted in the policy.
  - Seventeen transactions were lacking documentation of the business/public purpose.

**54. STARC of Louisiana, Inc.:**

- Credit Cards
  - Of the 443 transactions tested, six did not have an original receipt.
  - The credit card policy for credit card users requires the use of purchase orders to document purchases unless prior written approval has been given by the employee's supervisor. Of the 443 transactions tested, 14 transactions did not have a purchase order or any form of written pre-approval of the purchase.

**55. Town of Abita Springs:**

- Credit Cards
  - Noted two instances where finance charges were assessed.
- Contracts - Inadequate written policies and procedures.
  - Two of the vendors provided services on an as-needed basis and not under a formal/written contract.
  - Procedures were performed on the two largest expenditures in the categories of services, materials and supplies, and public works. Of the six transactions selected, four of them were for purchases of services or materials from vendors without written contracts.

**56. Town of Madisonville:**

- Leave Balances and Payout - No exceptions noted.
- Cash Receipts of Building Permits and Licenses and of Utility Payments
  - Of the five utility billing adjustments tested, documentation and service orders are maintained within the billing utility system software. There was no approval of adjustments.

**57. Town of Pearl River:**

- Credit Cards - No written policies and procedures.
  - Four of 247 monthly credit card statements were missing. The cards were still in use, however the statements could not be found.
  - No itemized receipts for 66 of 140 transactions tested, of which 19 could not be evaluated to determine if the purchases were for legitimate business purposes.

- There were 18 of 140 occurrences where there was no documentation of business and/or public purpose on receipt.
- Eight of 34 monthly credit card statements had late fees and finance charges.
- Contracts - No written policies and procedures.

**58. Twenty-Second Judicial District Court Judicial Expense Fund:**

- Credit Cards - Credit card policies did not address procedures for lost cards, removal of signatory authorization upon employment termination, lost receipts, or the approval required to open a credit card account.
  - An “over-limit” fee was applied to one of the statements tested.
- Travel and Expense Reimbursement - No exceptions noted.

**59. Twenty-Second Judicial District Public Defender:**

- Credit Cards - Credit card policies did not address removal of signatory authority upon employment termination, lost receipts, or the approval required to open a credit card account.
  - Of the 36 credit card transactions tested, one transaction for fuel was not supported by a credit card receipt, and one purchase of a meal did not list the purpose and the attendees.
- Ethics - Inadequate written policies and procedures.
  - Of the five employee files tested, one file did not contain a signed verification.
- Contracts - Inadequate written policies and procedures.

**60. Village of Folsom:**

- Credit Cards
  - Four out of nine purchases did not have receipts. Three of those were for hotel rooms. Management was able to obtain those receipts from the hotels; however, one of the receipts indicated there were movie charges in addition to the room charge.
- Ethics - No written policies and procedures or signed ethics verification forms.
- Payroll and Personnel - A complete master list of employees was not maintained.

- Utility Payments/Cut-Off - No written policies and procedures for utility collections.
  - Two adjustments were not approved by someone other than the person making the adjustment.

**61. Youth Service Bureau of St. Tammany – CASA:**

- Credit Cards - No exceptions noted.
- Grants - No exceptions noted.
- Cash Receipts/Collections - No exceptions noted.