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UNION PARISH POLICE JURY

**Independent Accountants' Report on
Applying Agreed-Upon Procedures**

**As of and for the Twelve Months Ended
November 30, 2002**

Under provisions of state law, this report is a public document. Copies of this report has been referred to the entity and other appropriate public officials. This report is available for public inspection at the Union Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/12/13



LITTLE & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Mr. Mark LITTLE, CPA
JAMES L. MOORE, CPA
CHARLES B. BARTHOLOMEW, JR., CPA

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

To the Members of the Union Parish Police Jury
Post Office Box 713
Farmerville, Louisiana

At the request of the Members of the Union Parish Police Jury (the "Police Jury"), we have performed the procedures enumerated below, which were agreed to by the Management and the Members of the Union Parish Police Jury (the "Specified Users"), solely to assist you in evaluating the Police Jury's compliance with the requirements of the Office of Management and Budget's (OMB) Circular A-133, Compliance Supplement titled *Service of Housing Choice Vouchers (the Housing Choice Voucher Program)* as of and for the twelve months ended November 30, 2002. This agreed upon procedures engagement was conducted in accordance with attention standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been prepared or for any other purpose.

Our procedures and findings are as follows:

A. ACTIVITIES ALLOWED OR UNALLOWED

Procedures

- For the months of January and October of 2002, we reviewed the receipts from the Housing Choice Voucher Program ("HCVP") funds to the disbursements to participating owners and for the Union Parish Police Jury's ("UPPJ") administrative fee.
- We agreed the amounts of the receipts from the HCVP funds per the HUD-13673 Estimate of Total Required Annual Contributions to the electronic deposit per the bank statements.
- We agreed the amounts, date and payor for the Housing Assistance Payments ("HAP") to the accounts payable disbursements register for each two months to the corresponding HAP contract register and vice versa and vice versa.

Union Parish Police Jury
Farmerville, Louisiana
Agreed-Upon Procedures Report

- We recalculated and agreed the amounts per the Administrative Fee payments in the accounts payable disbursements register for each test month to the information per rent rolls and the administrative rates per the Fiscal Register.

Findings

1. One instance was noted in which the Administrative Fee rate was incorrect. The rate used was \$08.12 instead of \$29.67.

B. ELIGIBILITY OF INDIVIDUALS

Procedures

We selected ten (10%) of the family files for testing eligibility. The selection included families with various types of actions during the test period, including new admissions, annual reexaminations, income reexaminations, real participation and portability movements.

1. We reviewed the family files to ascertain that the tenant and other family members provided necessary information, documentation, and releases for UPJ to verify income eligibility.
2. We inspected the files to determine, for both family income examinations and reexaminations, the following:
 - Third party verifications of family annual income were obtained, or if not obtained, then other means of income verification acceptable to HUD were obtained;
 - The value of assets was determined in accordance with HUD guidelines;
 - Expenses related to deductions from annual income were supported by documentation, when required;
 - Other factors that affect the determination of adjusted income or income-based rent are documented in the file;
 - Family income and composition were reexamined once every 12 months, and the tenant rent and housing assistance payment were adjusted as necessary based on the documentation from the verification process;
 - The files contain adequate documentation of the entire verification process.
3. We determined income eligibility and recalculated the tenant's rent payment using the documentation from third party verification or other verifications acceptable to HUD.

Union Parish Police Jury
Farmerville, Louisiana
Agreed-Upon Procedures Report

4. We selected families from the HCVP waiting list (see "Selection from the Waiting List" section of agreed-upon procedures).

Findings

1. All of the ten selected files did not provide necessary information, documentation and releases for LPPJ to verify income eligibility.
2. In nine instances, there were no third party verifications of family income obtained as per verifications acceptable to HUD.
3. In one instance, there was a letter from the Social Security Administration used as verification of family income, but the letter was dated November 23, 2001 and was used for an August 1, 2002 reexamination. HUD Handbook 4150.1, Section 3-02 states that income verifications are only valid for 90 days from the date of receipt. If the information is weekly updated from the source, these verifications can be used for an additional 30 days. Verifications more than 120 days old cannot be relied on.
4. There were two instances where a \$488 deduction for dependents was taken for children over the age of 17. Although it may be acceptable to have a deduction for a child over the age of 17, the dependent must be a full-time student, there was no record or verification of full-time student status in these two instances.
5. In one instance, a deduction for children in the amount of \$2,758 was not verified with the children provider.
6. From the ten selected family files, seven family files were reexaminations during 2002. Five of these files did not evidence annual reexaminations being performed consistently.
7. In all selected family files, the review verification process was not adequately documented.
8. We were unable to recalculate rent payments using third party verifications due to lack of third party verifications. We did recalculate rent payments based on the family application. In two cases, the family claimed income on the application that was not used in the calculation of the rent payment.

Union Parish Police Jury
Farmerville, Louisiana
Agreed-Upon Procedures Report

C. REPORTING

Procedures

Financial Reporting

- We reviewed the financial reporting records and determined if HUD-1263, *Voucher for Payment of Annual Contributions and Operating Statement* (OAR No. 2577-01 03) was submitted on an annual basis for the prior year as required.

Findings

No exceptions were found as a result of applying the above procedures.

Procedures

Special Reporting

- Using the family files listed above, we determined if HUD-5058, *Family Report* (OAR No. 2577-0014) was submitted electronically to HUD for each time the UPJ completed an admission, annual reexamination, interim reexamination, portability exercise, or other change of unit for a family and for when a family ended participation in the program or moved out of the UPJ's jurisdiction under portability.
- We inspected HUD-5058, *Family Report* (OAR No. 2577-0014) for completion of the following Key Line Items which contain critical information:
 - (1) Line 2a - *Type of Action*
 - (2) Line 2b - *Effective Date of Action*
 - (3) Line 3a, 3c - *Name*
 - (4) Line 3c - *Date of Birth*
 - (5) Line 3a - *Social Security Numbers*
 - (6) Line 5a - *Unit address*
 - (7) Line 5a, 5i - *Unit Departure Date*
 - (8) Line 7i - *Total Annual Income*
 - (9) Lines 7a and 7b - *Family's Participation in the Family Self-Sufficiency (FSS) Program*

Union Parish Police Jury
Farmerville, Louisiana
Agreed-Upon Procedures Report

(30) Line 17(d) - *POI Account Balance*

Findings

1. In three instances, the tenant moved out during the year and the file did not contain the HUD-50058, Family Report for this type of action as an end participation or a portability move-out.
2. In one instance, an incorrect type of action was marked on the HUD-50058, Family Report.
3. In one instance, social security numbers were missing from the HUD-50058, Family Report.
4. In one instance, the annual unit inspection date did not agree to the inspection date on the HUD-50058, Family Report.
5. As mentioned in earlier findings, there is no verification of Total Annual Income on the HUD-50058, Family Report.

IX. SPECIAL TESTS AND PROVISIONS

Procedures

Selection from the Waiting List

- We reviewed the UPP's applicant selection policies.
- We tested a sample of new participants admitted to the program to ascertain if they were selected from the waiting list in accordance with the UPP's applicant selection policies.
- We tested a sample of applicant names that reached the top of the waiting list to ascertain if they were admitted to the program or provided the opportunity to be admitted to the program in accordance with the UPP's applicant selection policies.

Findings

1. In our review of the UPP's applicant selection policies, we found this policy to be inadequate. The policy does not address the Federal Preferences as required by HUD Handbook 4155.3, Section 3-23.

Union Parish Police Jury
Farmerville, Louisiana
Agreed-Upon Procedures Report

- From the ten tenant files selected, two of the tenants were new participants. Although these two tenants were selected from the waiting list, there were other prospective tenants appearing on the waiting list before these tenants selected. These tenants at the head of the list did not have documentation as to admission to the program, opportunity to be admitted to the program or rejection for just cause. We were unable to determine the method of selection from the documentation on the waiting list.
- We selected three tenants near the top of the waiting list. These tenants did not appear to have been admitted to the program or given the opportunity to be admitted to the program. The waiting list lacked appropriate documentation.

Procedures

Reasonable Rent

- We reviewed the UPPJ's method in its administrative plan for determining reasonable rent.
- We tested a sample of Requests for Lease Approval's form HUD-52517 for newly leased units to ascertain that the UPPJ had documented the determination of reasonable rent in accordance with the UPPJ's administrative plan.
- We tested a sample of Requests for Lease Approval's form HUD-52517 for which the UPPJ is required to determine reasonable rent during the term of the HAP contract to ascertain that the UPPJ had documented the determination of reasonable rent in accordance with the UPPJ's administrative plan.

Findings

No exceptions were found as a result of applying the above procedures; however, the UPPJ should maintain a completed lease agreement and file related addendums in the family files.

Procedures

Utility Allowance Schedule

- We reviewed UPPJ procedures for obtaining and reviewing utility rate data each year.
- We tested data on utility rates that the UPPJ obtained during the last 12 months and ascertained based on data available at the UPPJ, if there has been a change of 10 percent or more in a utility rate since the last time the utility allowance schedule was revised, and if so, verified that the UPPJ revised its utility allowance schedule to reflect the rate increase.

Union Parish Police Jury
Farmerville, Louisiana
Agreed-Upon Procedures Report

Findings

1. The UPTJ does not maintain the utility rate data on an annual basis. We were supplied with only one utility rate schedule. There was no supporting rate data evidenced in the selected files.

Procedures

Housing Quality Standards (HQS) Inspections

- We reviewed the UPTJ's procedures for performing HQS inspections and quality control inspections.
- We tested a sample of units for which rental assistance was paid during the fiscal year and reviewed inspection reports to ascertain if the unit was inspected.
- We reviewed the UPTJ's reports of re-inspections to ascertain if quality control inspections were performed.

Findings

1. From the ten selected family files, none of the HQS Inspection Reports were signed by the inspector.
2. From the ten selected family files, there was one instance of an incomplete HQS Inspection Report.
3. There were two instances of the HQS Inspection Reports not being performed annually.

Procedures

HQS Enforcement

- Select a sample of units with failed HQS inspections during the audit period from the UPTJ's logs or records of failed HQS inspections.
- Verify that the files document that the UPTJ required correction of any cited life-threatening HQS deficiencies within 14 days of the inspection and of all other HQS deficiencies within 30 calendar days of the inspection or within an UPTJ-approved extension.
- If the correction period has ended, verify that the files contain a unit inspection report or evidence of other verification documenting that any UPTJ-required repairs were completed.

Union Parish Police Jury
Farmerville, Louisiana
Agreed-Upon Procedures Report

- Where the file shows that the owner failed to correct the cited HQS deficiencies within the specified time frame, verify that documents in the file show that the UPPJ properly stopped (shut) HAFs or terminated the HAF contract.
- Where the file shows that the family failed to correct the cited HQS deficiencies within the specified time frame, verify that documents in the file show that the UPPJ took action to enforce the family obligations.

Findings

1. We were unable to perform the above procedures because there were no filed HQS inspections on file. Per UPPJ, it is their procedure to verbally advise the landlord to have the item repaired or replaced and then do an official inspection after the repair has been completed. Therefore, there is no written documentation of filed HQS inspections and no way to test enforcement of correction periods.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on whether the Police Jury was in compliance with the requirements of the Office of Management and Budget's (OMB) Circular A-133, Compliance Supplement titled Section 8 Housing Choice Vouchers (the Housing Choice Voucher Program) as of and for the three months ended November 30, 2003. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the members and management of the Union Parish Police Jury and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than those specified parties.



Monroe, Louisiana
January 16, 2004

Police Jury of Union Parish

P. O. BOX 101
TULAHOMA (218) 248-2100
FARMERVILLE, LOUISIANA 71701

February 5, 2003

WARD 1

WELLS T. BOWEN, JR.
P. O. BOX 100
TULAHOMA, LA 71701
TEL. 248-2100

Legislative Audit Advisory Council
Mr. Grover Austin, Assistant Secretary
Post Office Box 94297
Baton Rouge, Louisiana 70804-0297

WARD 2

DAVID A. SMITH
200 WASHINGTON ST
BAYOU LA TERRE
LA 70302

**RE: Agreed Upon Procedures Engagement
Compliance Supplement-Section 8 Housing Choice Vouchers**

WARD 3

ROY W. BRIDGES
10000 W. 100
LAWRENCEVILLE, MISSISSIPPI
TEL. 336-8882

Dear Mr. Austin:

Little & Associates, Certified Public Accountants, has completed an Independent Accountants' Report on Applying Agreed-Upon Procedures for our current HUD Section 8 Housing Voucher Program. The Union Parish Police Jury has reviewed the report and has adopted Resolution # 2003-03 concerning necessary corrective action. Action will be taken:

WARD 4

ANDREW W. BUCKLEY
200 W. 100
LAWRENCEVILLE, MISSISSIPPI
TEL. 336-8882

1. to accept the resignation of the current Program Administrator as of February 12, 2003 and to control the program from "in-house",
2. continue to train and prepare an "in-house" Program Administrator, update all manuals and handbooks necessary to train and administer the program and maintain close contact with HUD personnel,
3. make sure all records and vouchers are up-to-date and in order,
4. and establish periodic internal audits to qualify and quantify "in-house" control of the program.

WARD 5

JERRY L. HUGHES
200 W. 100
LAWRENCEVILLE, MISSISSIPPI
TEL. 336-8882

WARD 6

ARNA H. BLUMBERG
210 W. 100
LAWRENCEVILLE, MISSISSIPPI
TEL. 336-8882

Thank you for your cooperation in this matter. If you have any questions about the report or the program, please call (218) 268-3296.

WARD 7

JERRY A. WATSON
210 W. 100
LAWRENCEVILLE, MISSISSIPPI
TEL. 336-8882

Sincerely,


Dennis W. Reeves
Secretary/Treasurer

WARD 8

JERRY G. HARRISON
P. O. BOX 101
TULAHOMA, LA 71701
TEL. 248-2100

Cc: Little & Associates, CPAs

WARD 9

OSCAR W. HILL
100 WASHINGTON STREET
BAYOU LA TERRE
LA 70302

Police Jury of Union Parish

P. O. BOX 100
TELEPHONE (504) 882-2266
CUMBERVILLE, LOUISIANA 71031

WARD 1

WILLIE F. BRIDGLEY, SR.
P. O. BOX 88
CUMBERVILLE, LA 71031
TEL. 882-824

RESOLUTION #2003-01

Mr. Byram moved, seconded by Hill and declared adopted by unanimous vote of the Jury to accept the Agreed-Upon Procedural Engagement Report from Little & Associates concerning the HUD Section 8 Housing Program and to take corrective action if necessary.

WARD 2

DAVID A. SMITH
SHERIDAN BOULEVARD ROAD
CUMBERVILLE, LA 71031
TEL. 882-824

I, Dennis W. Reeves, Secretary of the Police Jury of Union Parish do hereby certify that the foregoing is a true and correct copy of a resolution adopted by the Union Parish Police Jury in a regular session of February 4, 2003, at which meeting a quorum was present. Given under my Official Signature and Seal of Office this the 4th day of February, 2003.

WARD 3

WILLIE BRIDGLEY
P.O. BOX 88
CUMBERVILLE, LA 71031
TEL. 710-882

WARD 4

JOHNNY W. BUCKLEY
CUMBERVILLE
CUMBERVILLE, LA 71031
TEL. 882-704



Dennis W. Reeves
Secretary/Treasurer

WARD 5

JERRY L. FUSCO
600 W. 217TH ST
CUMBERVILLE, LA 71031
TEL. 882-888

WARD 6

WANDA M. MURPHY
CUMBERVILLE
CUMBERVILLE, LA 71031
TEL. 882-888

WARD 7

JANE HARRINGTON
600 W. 217TH ST
CUMBERVILLE, LA 71031
TEL. 882-888

WARD 8

ROBERT G. HARRISON
P. O. BOX 88
CUMBERVILLE, LA 71031
TEL. 882-824

WARD 9

SHARON HILL
100 BRIDGES SQUARE
CUMBERVILLE, LA 71031
TEL. 882-888