

TOWN OF CLINTON



ADVISORY SERVICES REPORT
ISSUED NOVEMBER 12, 2008

**LEGISLATIVE AUDITOR
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BATON ROUGE, LOUISIANA 70804-9397**

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LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

November 12, 2008

**THE HONORABLE DONALD R. JEFFERSON,
MAYOR, AND MEMBERS OF THE BOARD
OF ALDERMEN**

Clinton, Louisiana

We visited the Town of Clinton (town) to determine your resolution of 2006 audit findings related to controls over traffic tickets and budgeting. Attachment I contains our findings and recommendations resulting from our assessment and management's response is presented in Appendix A.

Our recommendations are intended to improve controls over the town's traffic tickets and budgeting process and ensure the town's compliance with applicable Louisiana laws. Our assessment was substantially less in scope than an audit conducted in accordance with generally accepted auditing standards; therefore, we are not offering an opinion on the town's financial statements or system of internal control nor assurance as to compliance with laws and regulations.

Respectfully submitted,

Steve J. Theriot, CPA
Legislative Auditor

BTD:SGW:ESS:JSI:dl

CLINTON08

Findings and Recommendations

The following are the findings and recommendations resulting from our advisory services. Management (mayor and aldermen) of the town should consider the costs of implementing the recommendations compared to the benefits they will provide. For any recommendations not implemented, the town should be aware of the risks.

We reviewed these findings and recommendations with management of the town to provide management an opportunity for its response. Management's response is presented in Appendix A.

Tickets/Citations

Management of the town has not improved controls over tickets/citations. Our assessment revealed significant control weaknesses and matters that are contrary to state laws and the town's charter and policy.

1. **Written Ticket Policies/Procedures** - The town did not have written policies or procedures related to storing, accounting, reporting, and collecting for tickets/citations. Written policies and procedures are necessary to provide a clear understanding of what should be done, how it should be done, who should do it, and when it should be done and ensure the procedures followed meet management's expectations.

Recommendation: Management should develop and adopt policies and procedures that specifically implement controls and provide clear guidance to employees for properly storing, accounting, reporting, and collecting for tickets/citations.

2. **Improper Disposition of Citations** - It appears that not all citations were disposed of in accordance with state law.¹ We determined that the mayor, on occasion, exercised his judicial authority "outside" of court. Our assessment of the disposition of 85 citations paid in January 2008 and May 2008 revealed that the mayor took judicial action on seven of the citations on days other than the court date (fines were reduced on five citations and increased on two citations).

Recommendation: The mayor should only dismiss and reduce citations (exercise judicial authority) in open court. We caution management that state law (R.S. 32:398.3.A) provides penalties if a ticket/citation is dismissed incorrectly. Also, in Opinion 98-426, the Louisiana Attorney General interpreted the law (R.S. 32:398.2) and opined that a violation of this law may constitute malfeasance for a public official who disposes of traffic tickets in an unlawful manner.

¹ R.S. 32.398.2.B provides, in part, traffic violations shall be disposed of only by trial in the court of proper jurisdiction or any other official action by a judge of the court, including forfeiture of the bail, or by the deposit of sufficient bail with the traffic violations bureau or payment of a fine to said bureau by the person to whom such traffic citation has been issued.

3. **Records Not Accurate** - Court dockets and minutes did not always reflect the actual disposition of cases. State law (R.S. 33:442) and the town's charter (Article 1, Section 5.1.D) require the mayor to keep an accurate record of all cases tried. In addition, there were two ticket databases maintained that were not always in agreement.

- **Court Dockets and Minutes** - We reviewed the disposition of citations paid in January 2008 and May 2008 and compared to the disposition cited in the court records and found differences.

Contempt of court penalties imposed in nine cases (\$200 per case) appear to have been dismissed subsequently and there was no documentation in the dockets or minutes that the penalties were dismissed. The nine citations were filed with the "paid" citations and there was no evidence of any attempts made to collect the contempt of court penalties.

Recommendation: The mayor should comply with state law and keep an accurate and complete record of all cases. In addition to the monthly court docket, we suggest the police clerk compile and present a detailed report of all unpaid citations to be used for possible further actions (in court) by the mayor.

- **Ticket Databases** - The police clerk inputs the ticket/citation information in two different databases; however, the information in both databases was not always in agreement with each other. As we understand, the *Microsoft Access* database is used to generate the court dockets and the *Report Exec* database is used to generate certain police reports.

We compared the information recorded in both databases for all citations issued during the 6½-month period from January 1, 2008, through July 21, 2008, and found 63 differences. Differences included instances in which a citation was entered in one database and not the other database and instances in which payment/collection amounts were different.

Recommendation: Management should consider using one database program for all of the town's ticket tracking and reporting needs. We suggest that the police clerk receive the appropriate training on the selected database program to ensure that court dockets and police reports are accurate.

Furthermore, we recommend that management and the software vendor review database security, access rights of all town employees and officials, and examine the software's ability to generate an audit trail for any changes made to data.

4. **Missing Tickets/Citations** - We conducted a physical inventory of all tickets issued to police officers during the 6½-month period from January 1, 2008, to July 21, 2008, and determined that 91 tickets/citations were missing (19% out of a total of 475 tickets). The databases contained information on only three of the 91 missing tickets.

State law (R.S. 32:398.2.D) provides, in part, that the chief administrative officer shall require police officers to return to him a copy of every traffic citation which was issued and all copies of every traffic citation for which an entry was made but not issued to the alleged violator.

Although there was a log maintained of the ticket books issued to police officers, there was no accounting of the numerical sequence of citations subsequently issued by the officers. As a result, we could not determine whether the tickets were issued, lost, or voided. Proper accounting for tickets/citations is important to help ensure (1) fines are collected or appropriate action is taken for nonpayment; (2) compliance with relevant Louisiana laws; and (3) monies of the town are not misappropriated.

Recommendation: The numerical sequence of tickets/citations should be accounted for on a monthly basis. To facilitate the accounting, when a ticket book is issued, the police clerk should enter the individual ticket numbers and the police officer's name in the ticket database. A ticket book should be issued to a police officer only after the previously issued book has been accounted for and all issued citations have been received from the police officer.

5. **Traffic Violations Not Reported** - The town was not reporting traffic violations to the Louisiana Department of Public Safety (DPS) as required by law. R.S. 32:393.C (1)(b) requires the town to report all traffic violations, except parking violations, to DPS not later than 30 days after the date of such person's conviction and sentencing or the final disposition of the case.

Recommendation: Management of the town should require the police department to begin reporting traffic violations to DPS in accordance with state law.

6. **Excessive Penalties Imposed for Contempt of Court** - The mayor imposed penalties on offenders who failed to appear in court (contempt of court) that were in excess of the amount allowed under state law. R.S. 32:57.D provides that the penalty amount imposed cannot exceed the amount of the fine of the original violation.²

We reviewed citations paid during January 2008 and May 2008 for contempt of court penalties and determined that in seven of the 21 cases (33%), the mayor incorrectly imposed penalty amounts in excess of the fine amounts.

² R.S. 32:57.E and F provide certain exceptions to the limitation of penalties that the mayor may impose (e.g., exceeding the posted speed limit by 15 miles per hour or more, driving with suspended driver's license).

Recommendation: The mayor should impose contempt of court penalties in strict accordance with state law.

7. **Incorrect Fine Amount Charged for Seat Belt Violations** - In October 2007, the town began imposing a \$30 fine for seat belt violations (first offense) which is \$5 more than the amount allowed under state law.³

Recommendation: The mayor should ensure that the town is charging fines in strict accordance with state law.

8. **Cash Payments** - Although town policy prohibits employees from collecting cash payments, our assessment of ticket payments/collections in January 2008 and May 2008 revealed that cash was accepted on two occasions.

Recommendation: Management should ensure that all employees strictly adhere to the town's policy and not accept payments in cash.

9. **Fidelity Bond Insurance** - The police clerk collects fines and was not covered by the town's fidelity bond. Fidelity bonds provide insurance reimbursement on losses caused by the dishonest acts of bonded employees.

Recommendation: Management should obtain adequate fidelity bond coverage on the ticket clerk and any other employees who have access to monies of the town.

10. **Citation Forms** - The police department was using ticket books that contained three-part citation forms rather than four-part forms as required by state law.⁴

Recommendation: Management should require the police department to begin using ticket books that contain citations in quadruplicate form as required by law.

Budgeting

Management failed to comply with state law and the town's charter [Article 1, Section 5.(5)] which requires the annual budgets to be prepared and submitted in accordance with the provisions of the Local Government Budget Act (R.S. 39:1301 et seq.).

³ R.S. 32:295.1.G (1) (a) provides that for a first-time offender of a safety belt violation, the fine shall be \$25 which shall include all costs of court, and R.S. 32:295.1.G (2) provides that no other cost or fee shall be assessed against any person for a violation of this section, notwithstanding any contrary provision of law.

⁴ R.S. 32:398.1.A provides, in part, that all traffic enforcement agencies shall provide traffic citations in appropriate form containing notices to appear, which shall be issued in books with citations in quadruplicate form.

The town's 2008 General Fund budget (1) was adopted without a proposed adoption instrument⁵; (2) did not include a budget message⁶; and (3) did not present the estimated fund balance at the beginning and end of the year.⁷

Recommendation: In the future, management should strictly comply with all provisions of the Local Government Budget Act.

⁵ **RS 39:1305.D** requires the municipality to adopt its annual budget by ordinance, resolution or other legal instrument. The proposed adoption instrument accompanying the budget must define the authority of the mayor to make changes within various budget classifications without approval by the board of aldermen, as well as those powers reserved solely to the board.

⁶ **R.S. 39:1305.C** requires, among other things, a budget message signed by the budget preparer (mayor) that provides a summary description of the proposed financial plan, policies, objectives, assumptions, budgetary basis, and a discussion of the most important features.

⁷ **R.S. 39:1035.C.2.a** requires a statement for the general fund and each special revenue fund showing the estimated fund balances at the beginning of the year; estimates of all receipts and revenues to be received; revenues itemized by source; recommended expenditures itemized by agency, department, function, and character; other financing sources and uses by source and use; and the estimated fund balance at the end of the fiscal year.

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Management's Response

TOWN OF CLINTON

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DONALD R. JEFFERSON, MAYOR
ANDREA R. MATTHEWS, TOWN CLERK
OTTO KILBOURNE, SR., MAINTENANCE SUPERVISOR

BOARD OF ALDERMEN:
JOHNNY BEAUCHAMP
BILL FORD
GEORGE KILBOURNE
CATHERINE LANDRY
JAMES OWEN

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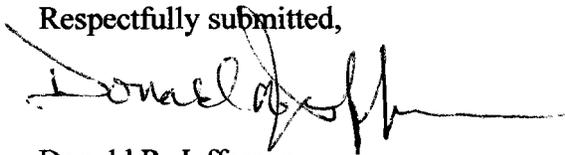
November 6, 2008

Steve J. Theriot
Louisiana legislative Auditor
1600 North Third Street
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Theriot:

Attached is a copy of the town's response to the exit conference recommendations.

Respectfully submitted,



Donald R. Jefferson,
Mayor

LEGISLATIVE AUDITOR'S EXIT REVIEW

TICKETS/CITATIONS

1. WRITTEN TICKET POLICIES/PROCEDURES

A new policy has been written on how an officer must sign out only one ticket book at a time and how they are to be turned in on a ticket log and signed for by a supervisor before they are turned into the Police Records Clerk.

The ticket log will be signed by the Police Records Clerk once the supervisor has completed all entries that the policy requires.

All locks were changed in the front lobby, including the lock on the mail box where citations are stored until supervisory personnel can log the tickets in. There are only three keys for all the locks. The three women in the office have the only keys for these locks.

2. IMPROPER DISPOSITION OF CITATIONS

The Town of Clinton concurs with the findings of the Legislative Auditor and the Mayor will dismiss and reduce citations only in open court. All dispositions of citations will be handled in accordance to State Law.

3. RECORDS NOT ACCURATE

The Town of Clinton concurs with the findings of the Legislative Auditor with respect of inaccurate records. In the future, all court dockets and court minutes will agree. Any unresolved citations will be included in the current docket and dealt with accordingly

One ticket database will be maintained with the Competitive Edge Report Exec Software. There will be a database for the court docket only in Microsoft Access database. Compiling a detailed report of all unpaid citations for possible court action by the Mayor can and will be generated by the Report Exec system.

Payments/collections amounts can be different if a person has been set up on Accounts Receivable with a payment schedule.

Example: The total amount of the fine may be \$150; however, the payment schedule may be 3 months at \$50 per month. In the Report Exec system, only the amount paid on the date it is paid (not the total amount) can be recorded in order to balance with the Daily Report.

The Police Records Clerks is not allowed to list the books of tickets. This is done by the Captain or the Chief; however, this can be easily rectified by setting up a Microsoft Access Database for recording the ticket numbers in each book issued and to which officer the book is issued.

Management and Software Vendor will review database security, assess rights of all town employees and officials. CESI shall be contacted to insure an audit trail for any changes made to data.

4. MISSING TICKETS/CITATIONS

The numerical sequence of tickets/citations shall be accounted for on a monthly basis. The Police Records Clerk shall enter the individual ticket numbers and the police officer's name in a ticket database. No officer shall be issued a new book until the Previously issued book has been accounted for and all issued citations have been received from the police officer.

5. TRAFFIC VIOLATIONS NOT REPORTED

The Town of Clinton concurs that traffic violations were not being reported as required by law; however, they will be in the immediate future.

6. EXCESSIVE PENALTIES IMPOSED FOR CONTEMPT OF COURT

The Town of Clinton concurs with this finding and has taken immediate action to remedy this. The Contempt of Court fines are presently being calculated on the amount of the fine less the Cost of Court.

7. INCORRECT FINE AMOUNT CHARGED FOR SEAT BELT VIOLATIONS

All seat belt tickets will carry a \$25 fine from this point forward.

8. CASH PAYMENTS

The Town of Clinton concurs there were 2 occasions where cash was accepted as payment. Both incidents were when East Feliciana Parish Sheriff's Office collected cash for persons incarcerated on bench warrants. Steps have been taken to insure the jail takes only money orders or checks for offenders who are arrested on warrants. No cash will be accepted.

9. FIDELITY BOND INSURANCE

The Town of Clinton concurs that the Police Records Clerk collects fines and was not covered by the Town's Fidelity Bond. Application has been submitted for this coverage.

10. CITATION FORMS

The Town of Clinton concurs with these findings. Four-part ticket books have been ordered.

BUDGETING

We agree with the finding that management failed to comply with state law and the town's charter [Article 1, Section 5.(5)] which requires the annual budgets to be prepared and submitted

in accordance with the provisions of the Local Government Budget Act (R.S. 39:1301 et seq.).

We agree with the finding that the town's 2008 General Fund budget was adopted without a proposed adoption instrument, did not include a budget message, and did not present the estimated fund balance at the beginning and end of the year.

In the future, the Town of Clinton will strictly comply with state law, the town's charter, and all provisions of the Local Government Budget Act. The town's General Fund budget will be adopted with a proposed adoption instrument, include a budget message, and present the estimated fund balance at the beginning and end of the year.