

ASCENSION PARISH GOVERNMENT



ADVISORY SERVICES REPORT
ISSUED FEBRUARY 20, 2008

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

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Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

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LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

February 13, 2008

Mr. Tommy Martinez, Parish President
Ascension Parish Government
Post Office Box 1659
Gonzales, Louisiana 70707

Dear Mr. Martinez:

We received various allegations regarding one of the parish's cable providers when relocating cable on parish road projects. These allegations included issues relating to (1) complying with the public bid law; (2) determining ownership of rights-of-way; (3) billing the parish for proposed work instead of actual work performed; (4) billing the parish for betterments; and (5) inflating the cost of relocating the cable.

We performed a limited review to determine the accuracy of these allegations. Our limited review 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 parish's financial statements or system of internal control nor assurance as to compliance with laws and regulations.

The Ascension Parish Government (APG) completed four utility relocation projects on parish roads since August 2004, totaling approximately \$280,000. Our limited review of these projects revealed that the APG did not:

- Have written procedures for utility relocations for parish roads
- Have a complete detailed inventory of parish rights-of-way (Although rights-of-way purchased by APG since 2002 are included in a detailed inventory listing, all rights-of-way agreements obtained before 2002 are not included in the detailed inventory listing.)
- Verify the cable provider's calculation of rights-of-way liability (percentage of project cost to be paid by APG) by comparing the cable provider's listing of property ownership to the APG's detailed inventory listing of parish rights-of-way

- Determine whether estimated costs of the cable relocations were reasonable based on established industry standards before negotiating contracts with the cable provider
- Monitor the work performed and materials used on the projects to determine if amounts invoiced by the cable provider were in accordance with the negotiated contracts

Although we found the previously mentioned control weaknesses, we did not find any misappropriation of parish funds or violation of state laws. As part of our limited review, we offer the following recommendations. These recommendations are intended to improve controls over parish operations, provide advice in implementing good business practices, and ensure compliance with state laws. However, management of the APG should consider the costs of implementing our recommendations compared to the benefits they will provide.

Recommendations: We suggest that management:

- Prepare formal written procedures for cable relocations on parish road projects. Formal written procedures ensure a clear understanding of what should be done, who should do it, and when it should be done and ensure the procedures followed meet management's expectations.

[The Louisiana Department of Transportation and Development has written procedures, forms, and various checklists for utility relocations that you should consider in preparing these written procedures (these documents were provided to you during the exit conference).]

- Complete the detailed inventory listing of parish rights-of-way and ensure that procedures are in place to update the listing for any changes
- Require the parish engineer or public works director to verify the percentage of project costs to be shared by APG and the cable provider before agreements are submitted for review/approval
- Require the parish engineer or public works director to determine whether estimated costs of cable relocations provided by cable providers are reasonable based on established industry standards
- Submit estimated costs of cable relocations to the parish finance director for determination of whether costs are within the capital projects budget
- Obtain approval of the cable relocation project in accordance with APG policies

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- Require the parish engineer or public works director to submit cable relocation agreements to the APG's legal counsel for review before the documents are signed
- Require the parish engineer or public works director to monitor/inspect the work performed and materials used on the projects to determine if amounts invoiced by the cable provider are in accordance with the agreement (this process should be documented and included with the supporting documentation for payment)
- Pay for cable relocation costs only after supporting documentation is available and properly approved by the parish engineer/public works director and finance director

Your written response to our recommendations is included in Attachment 1 to this letter. I trust this information will assist you in the efficient and effective operation for relocating cable on parish road projects. Please contact me at (225) 339-3800 should you have any questions or if we can assist you in the future.

Sincerely,



Steve J. Theriot, CPA
Legislative Auditor

SCD:GLM:JSI:dl

ASNGOV08

Attachment

Management's Response

Management's Response

Louisiana Legislative Auditor's Office
Attn: Joy S. Irwin, CPA

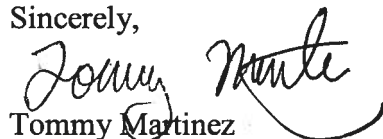
Ms. Irwin,

I would like to take this opportunity to respond to your letter. I appreciate your staff's dedication and hard work throughout this audit. Your commitment to protecting the interests of Ascension Parish is commendable. As a result of several meetings with your staff auditors, we plan on taking affirmative steps to implement many of your recommendations.

Specifically, we plan to require the parish engineer and/or the public works director to verify the percentage of project costs to be shared by Ascension Parish Government and the cable provider before agreements are submitted for approval and to determine whether estimated costs of cable relocations provided by cable providers are reasonable based on established industry standards. We also plan on requiring cable providers to verify their information concerning the allocation of costs based on Right of Way percentages and provide detailed invoices properly laying out all costs billed to the parish.

Again, I would like to thank you for taking the time to work with my staff and develop procedures and policies to safeguard parish government and the tax-paying citizens of our parish.

Sincerely,

A handwritten signature in black ink that reads "Tommy Martinez". The signature is written in a cursive style with a large, sweeping flourish at the end.

Tommy Martinez

Ascension Parish President