

ACADIA PARISH POLICE JURY



ADVISORY SERVICES REPORT  
ISSUED AUGUST 5, 2009

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LOUISIANA LEGISLATIVE AUDITOR  
STEVE J. THERIOT, CPA

July 29, 2009

**MR. A. J. "JAY" CREDEUR, PRESIDENT, AND  
MEMBERS OF THE ACADIA PARISH POLICE JURY**  
Crowley, Louisiana

My staff applied our *Checklist of Best Practices in Government* in providing advisory services for the financial operations of Acadia Parish Police Jury (police jury). In addition, we reviewed your resolution of the findings previously reported in the police jury's December 31, 2007, audited financial statements.

Attachment 1 contains our findings and recommendations resulting from our assessment. Management's response is presented in Appendix A.

Our recommendations are intended to assist you in your efforts to (1) improve controls over the police jury's financial operations; (2) implement good business practices; and (3) ensure the police jury's compliance with the Louisiana Constitution and state laws.

This assessment is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards; therefore, we are not offering an opinion on the police jury'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

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APPJ09



## Findings and Recommendations



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

We reviewed our findings and recommendations with management to provide them an opportunity for their response. Management's response is presented in Appendix A.

### **Monthly Financial Statements and Budget Comparisons**

The police jury was not reviewing monthly financial statements and budget-to-actual comparisons on the various funds (e.g., General Fund and Special Revenue Funds) of the parish. Without periodically reviewing current financial information and budget comparisons, the police jury cannot effectively exercise its fiduciary responsibilities of managing the fiscal operations of the parish.

Recommendation: Monthly financial statements and budget-to-actual comparisons should be prepared for all funds, including warnings of any corrective action needed, and be formally presented to the police jury for consideration/use in its decision-making process (e.g., projects to undertake, major purchases, et cetera).

### **Noncompliance With Parish Transportation Act**

Contrary to state law,<sup>1</sup> the police jury did not have a three-year parishwide capital improvement program for roads. The Parish Transportation Act (PTA) is a set of state laws [Louisiana Revised Statute (R.S.) 48:751-762] which, among other things, provides for state funding to the parish for the maintenance, construction, and repairs of parish roads and requires the funds to be used for the benefit of the parish as a whole and in accord with the priority ranking by the police jury. R.S. 48:755.B (2) requires the most critical needs existing parishwide according to the priority ranking to be met first.

We advise the police jury that failure to comply with the requirements of the PTA may cause suspension of and possible forfeiture of the state's parish transportation funds, criminal sanctions for malfeasance, and potential personal liability for civil damages to restore improperly expended funds.

Recommendation: The police jury should immediately begin complying with the requirements of the PTA by preparing and adopting a parish-wide unit system of road administration that includes the following two programs:

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<sup>1</sup>R.S. 48:755(A) requires, among other things, the police jury to adopt a parishwide system of administration which should include the development of a capital improvement program on a selective basis. All construction should be based upon engineering plans and inspection.

R.S. 48:755(B)(1) requires, among other things, the police jury to adopt a list of all projects to be constructed during the year and the following two years, all of which should be listed in a prioritized ranking based on parishwide needs. The capital improvement program should be adopted annually (prior to the beginning of the first year of the three-year plan) regardless of whether the police jury anticipates capital improvements in the first year of the plan.

- A capital improvement program that uses a three-year priority schedule. The priority schedule should include a list of all projects to be constructed in the current fiscal year by order of priority, as well as the two following fiscal years. All road construction projects, including overlay projects, must be based upon engineering plans and inspection. This priority schedule must be approved by the police jury each year by a majority vote in an open meeting, and the schedule may be amended as additional funding is secured and roadways are included or removed from the parish system.
- A selective maintenance program under the authority of the parish road superintendent. The parish road superintendent should prepare a weekly work schedule for the maintenance jobs and ensure that the work orders include the dates and locations of the work, and the labor, materials, and equipment used to perform the work.

### **Written Policies and Procedures**

The police jury's written policies and procedures were not complete. Although the police jury has a personnel policy for general guidance, the police jury lacks specific written policies and procedures in key financial areas. 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. In addition, written policies and procedures aid in the continuity of operations and for cross-training staff or training new staff.

Recommendation: Management should develop and implement written policies and/or procedures, in accordance with applicable Louisiana laws, related to the following:

- Financial reporting, including the nature, extent, and frequency of reporting financial information to management
- Investments, including procedures for ensuring that bank balances and investments are fully secured
- Receipts/collections, including receiving, recording, and preparing bank deposits
- Purchasing, including how purchases are initiated and approved, checks and balances to ensure compliance with the public bid law, and documentation required
- Contracts, including monitoring procedures to ensure that services received comply with terms and conditions
- Disbursements, including processing, recording, reviewing, and approving payments
- Payroll and personnel, including processing, reviewing, and approving time/attendance records, including leave taken and overtime worked



- Credit cards, including charges allowed and documentation required
- Gasoline and diesel inventories, including procedures for dispensing and accounting for usage
- Computer, including backing up and storing computer files, general controls for the computer system, and a disaster recovery/business continuity plan
- Retention of public records, including e-mail communications
- Ethics, including issues such as nepotism and prohibited activities (e.g., related party transactions) and requiring that an annual certification letter be signed by the parish president, each juror, and department heads and employees attesting to their compliance with the ethics policy.

### **Receipts**

Controls over cash receipts need to be improved. Our assessment revealed that cash collected at the multi-purpose center was not being deposited on a daily basis and checks received in the mail were not being listed and restrictively endorsed upon receipt.

Recommendation: Cash receipts should be deposited intact on a daily basis. In addition, all checks received by mail should be listed on a daily receipts log and restrictively endorsed upon receipt and be given to the accounts receivable clerk for deposit and entry into the accounting system. The daily receipts log should be given to the employee that reconciles the bank accounts to verify that the monies were deposited intact.

### **Records Retention Schedule**

The police jury has not prepared and submitted a records retention schedule to the state archivist for approval as required by Louisiana law (R.S. 44:411).

Recommendation: In compliance with R.S. 44:36 which requires the police jury to exercise diligence and care in preserving public records and in accordance with R.S. 44:411, the police jury should develop and submit a records retention schedule to the state archivist (Louisiana Secretary of State Office) for approval.

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## Management's Response





# Acadia Parish Police Jury

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Louisiana Relay Service

A. J. "JAY" CREDEUR  
President

CADE BENOIT  
Vice-President

TERRY L. LACOMBE  
Secretary-Treasurer

July 15, 2009

## DISTRICT 1

ALTON STEVENSON  
P.O. Box 2366  
Crowley, LA 70527-2366  
(337) 783-6215

Mr. Steve Theriot  
Legislative Auditor  
State of Louisiana  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

## DISTRICT 2

A. J. "FATTY" BROUSSARD  
526 Atwood Drive  
Crowley, LA 70526  
(337) 783-1607

## DISTRICT 3

KERMIT RICHARD  
P.O. Box 363  
Morse, LA 70559-0274  
(337) 329-2091

Acadia Parish Police Jury respectfully submits the following corrective action plan for the advisory services performed by your office.

### Monthly Financial Statements and Budget Comparisons

## DISTRICT 4

JOHN H. QUEBODEAUX  
178 Cedar Park Lane  
Rayne, LA 70578  
(337) 334-1638

The Police Jury was not reviewing monthly financial statements and budget-to-actual comparisons on the various funds (e.g., General Fund and Special Revenue Funds) of the Parish. Without periodically reviewing current financial information and budget comparisons, the Police Jury cannot effectively exercise its fiduciary responsibilities of managing the fiscal operations of the Parish.

## DISTRICT 5

THOMAS J. SONNIER  
607 W. Lessley Street  
Rayne, LA 70578  
(337) 334-4749

**Recommendation:** Monthly financial statements and budget-to-actual comparisons should be prepared for all funds, including warnings of any corrective action needed, and be formally presented to the Police Jury for consideration/use in their decision-making process (e.g., projects to undertake, major purchases, et cetera).

## DISTRICT 6

A. J. "JAY" CREDEUR  
8520 Grand Prairie Hwy.  
Church Point, LA 70525  
(337) 873-6339

## DISTRICT 7

CADE BENOIT  
240 St. Rita Lane  
Church Point, LA 70525  
(337) 684-6239

**Response:** Monthly financial statements and budget-to-actual comparisons will be formally presented to the Police Jury. In addition, when corrective actions related to budget variances are needed, the Police Jury will be made aware of such needed actions. The current financial accounting system is out of date and Management is in the process of acquiring a new system which will be implemented by October 1, 2009. It is anticipated that this new system will enable Management to provide more timely and accurate financial information to the Police Jury.

## DISTRICT 8

FELTON "TONY" MOREAU  
7870 Eunice/lota Hwy.  
Eunice, LA 70535  
(337) 580-1953

### Noncompliance With Parish Transportation Act

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Contrary to state law, the Police Jury did not have a three-year parishwide capital improvement program for roads. The Parish Transportation Act (PTA) is a set of state laws (Louisiana Revised Statute [R.S.] 48:751-762) which, among other things, provides for state funding to the Parish for the maintenance, construction, and repairs of Parish roads, and requires the funds to be used for the benefit of the Parish as a whole and in accord with the priority ranking by the Police Jury. R.S. 48:755.B(2) requires the most critical needs existing parishwide according to the priority ranking to be met first.

We advise the Police Jury that failure to comply with the requirements of the PTA may cause suspension of and possible forfeiture of the state's parish transportation funds, criminal sanctions for malfeasance, and potential personal liability for civil damages to restore improperly expended funds.

Recommendation: The Police Jury should immediately begin complying with the requirements of the Parish Transportation Act by preparing and adopting a parish-wide unit system of road administration that includes the following two programs:

- A capital improvement program that utilizes a 3-year priority schedule. The priority schedule should include a list of projects to be constructed in the current fiscal year by order of priority, as well as the two following fiscal years. All road construction projects, including overlay projects, must be based upon engineering plans and inspection. This priority schedule must be approved by the Police Jury each year by a majority vote in an open meeting, and the schedule may be amended as additional funding is secured and roadways are included or removed from the Parish system.
- A selective maintenance program under the authority of the parish road superintendent. The parish road superintendent should prepare a weekly work schedule for the maintenance jobs and ensure that the work orders include the dates and locations of the work, and the labor, materials, and equipment used to perform the work.

Response: The Police Jury has promoted a new Parish Road Manger. He will work with the Parish engineers to develop a capital improvement program that utilizes a 3-year priority schedule. Management has already begun the procedure of updating the current selective maintenance program under the authority of the Parish Road Manager. The intent is to have the capital improvement program in place for the 2010 fiscal year and the selective maintenance program by August 31, 2009.

#### **Written Policies and Procedures**

The Police Jury's written policies and procedures were not complete. Although the Police Jury has a personnel policy for general guidance, the Police Jury lacks specific written policies and procedures in key financial areas. 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. In addition, written

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Legislative Auditor  
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policies and procedures aid in the continuity of operations and for cross-training staff or training new staff.

Recommendations: Management should develop and implement written policies and/or procedures, in accordance with applicable Louisiana laws, related to the following:

- Financial reporting, including the nature, extent, and frequency of reporting financial information to management.
- Investments, including procedures for ensuring that bank balances and investments are fully secured.
- Receipts/collections, including receiving, recording, and preparing bank deposits.
- Purchasing, including how purchases are initiated and approved, checks and balances to ensure compliance with the public bid law, and documentation required.
- Contracts, including monitoring procedures to ensure that services received comply with terms and conditions.
- Disbursements, including processing, recording, reviewing, and approving payments.
- Payroll and personnel, including processing, reviewing, and approving time/attendance records, including leave taken and overtime worked.
- Credit cards, including charges allowed and documentation required.
- Gasoline and diesel inventories, including procedures for dispensing and accounting for usage.
- Computer, including backing up and storing computer files, general controls for the computer system, and a disaster recovery/business continuity plan.
- Retention of public records, including e-mail communications.
- Ethics, including issues such as nepotism and prohibited activities (e.g., related party transactions) and requiring that an annual certification letter be signed by the parish president, each juror, and department heads and employees attesting to their compliance with the ethics policy.

Response: Management has either implemented written procedures or is in the process of placing into writing procedures that will address all of the above recommendations. The intent is to have all of the written procedures implemented by October 1, 2009.

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### **Receipts**

Controls over cash receipts need to be improved. Our assessment revealed that cash collected at the multi-purpose center was not being deposited on a daily basis and checks received in the mail were not being listed and restrictively endorsed upon receipt.

Recommendation: Cash receipts should be deposited intact on a daily basis. Additionally, all checks received by mail should be listed on a daily receipts log and restrictively endorsed upon receipt and be given to the accounts receivable clerk for deposit and entry into the accounting system. The daily receipts log should be given to the employee that reconciles the bank accounts to verify that the monies were deposited intact.

Response: Management is in the process of implementing a written procedure for cash receipts which will address all of the recommendations above. Those procedures will include making deposits daily, logging of checks received and restrictively endorsing those checks, having the receivable clerk enter the checks received into the accounting system timely and having a copy of the deposit log be given to the employee that reconciles the bank accounts to verify that the monies were deposited intact. The procedures will be implemented by October 1, 2009.

### **Records Retention Schedule**

The Police Jury has not prepared and submitted a records retention schedule to the state archivist for approval as required by Louisiana law (R.S. 44:411).

Recommendation: In compliance with R.S. 44:36 which requires the Policy Jury to exercise diligence and care in preserving public records and in accordance with R.S. 44:411, the Police Jury should develop and submit a records retention schedule to the state archivist (Louisiana Secretary of State Office) for approval.

Response: The Police Jury will develop and submit a records retention schedule to the state archivist (Louisiana Secretary of State Office) for approval. Carrie Fager with the Louisiana Secretary of State Office will be consulted in developing the schedule and the intent is to have the schedule implemented by October 1, 2009.

Sincerely,



A.J. "Jay" Credeur, President  
Acadia Parish Police Jury