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LEGISLATIVE AUDITOR

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January 24, 2007

Mr. Mark Tompkins, Chairman,
and Members of the District Four
Public Works Commission
St. Landry Parish
Post Office Box 719
Washington, Louisiana 70589

Dear Mr. Tompkins:

We applied our *Checklist of Best Practices in Government* in providing advisory services for the District Four Public Works Commission's (district) business office. This letter contains our recommendations resulting from our assessment of the current procedures and practices of the district's business office.

Our recommendations are intended to improve controls over financial operations, provide advice in implementing good business practices, and ensure compliance with state laws. However, management of the district should consider the cost of implementing our recommendations compared to the benefits they will provide. The response from management of the district is included in Attachment I to this letter.

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 district's financial statements or system of internal control nor assurance as to compliance with laws and regulations.

The following are the recommendations resulting from our advisory services:

Written Procedures

We recommend that formal written procedures be prepared for the various business functions of the district. Formal written office procedures ensure 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. Also, written procedures aid in the continuity of operations and for cross-training of staff.

There are no written procedures for the following:

1. Preparing, adopting, monitoring, and amending the budget
 2. Processing, reviewing, and approving disbursements
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3. Processing, reviewing, and approving time/attendance records and payroll, including leave taken and overtime worked
4. Recording, tagging, and safeguarding capital assets
5. Dispensing and reviewing the use of gasoline/diesel fuel
6. Purchasing materials and supplies, including the checks and balances to ensure compliance with the public bid law and the documentation maintained for all bids and price quotes

Capital Improvement Program/Work Order System

As a good business practice, we recommend that the district adopt a capital improvement program that lists all projects to be completed during the fiscal year based on a prioritized ranking of the annual assessment of work needed.

We commend the district for having implemented a work order system that provides the date, location of the job, labor, and materials and equipment used.

Bank Statements - We recommend that either the chairman or the vice-chairman receive the monthly bank statement directly (unopened) from the bank. That person should review the statement for any unusual deposits and/or disbursements, and then give the bank statement to the business manager for her to perform the bank reconciliation. This procedure will strengthen controls over cash since it is not practical to have an adequate system of checks and balances because of the limited number of employees.

Public Bid Law - In the future, the district should fully comply with the public bid law, Louisiana Revised Statute (R.S.) 38:2212.1, and bid all purchases of materials and supplies that exceed \$20,000. Although two telephone quotes were obtained for the asphalt purchased for an overlay project, the total amount exceeded \$20,000 and should have been bid.

Payroll and Attendance Records - We recommend that each employee complete a time sheet to document the hours worked and leave taken (annual and/or sick). The time sheet should be signed by the employee and approved by his/her immediate supervisor. Leave taken should be documented with a leave slip approved by the supervisor and attached to the time sheet.

Personnel Policy - We recommend that the district only pay for those holidays listed in the approved personnel/travel policy. Also, because the personnel/travel policy was adopted in March 2002, we suggest it be reviewed and updated as considered necessary.

Capital Assets - We recommend that the district prepare a detailed list of all capital assets it owns, tag the assets, and conduct an annual physical inventory. R.S. 24:515(B)(1) requires the district to maintain records of all land, buildings, improvements other than buildings, equipment, and any other capital assets, which were purchased or otherwise acquired. The records should include information as to the date of purchase of such property or equipment, the initial cost, the disposition, if any, the purpose of such disposition, and the recipient of the property or equipment disposed of. Good internal controls over capital assets require that (1) detailed asset records be current; (2) every asset includes a tag identifying it with a number that can be cross-referenced to the detailed asset records; and (3) a physical inventory be conducted at least on an annual basis.

Minutes - The district should publish the minutes of the board meetings in the district's official journal, as required by R.S. 43:171.A.(1). Currently, the minutes are prepared, but they are not published.

Records Retention Schedule - We recommend that the district develop and submit a records retention schedule to the state archivist (Louisiana Secretary of State Office) for approval in accordance with R.S. 44:411.

Gasoline and Diesel Pumps - Good controls over gasoline/diesel require that only district vehicles receive fuel, the supporting documentation for fuel usage identifies the vehicle and includes the odometer readings and pump meter readings, and the supporting documentation is reviewed promptly for reasonableness (number of gallons dispensed, miles traveled, and miles per gallon).

We recommend that the district:

- Maintain separate fuel logs for recording gasoline and diesel dispensed from the district's pumps
 - Designate a district employee as the "pump attendant" to dispense the fuel during a designated time (e.g. every morning from 7:00 to 7:30) and record the appropriate information in the fuel logs
 - Include in the fuel logs the date, number of gallons dispensed, pump meter readings, vehicle odometer readings (when applicable), and signature of the person receiving the fuel
 - Reconcile the number of gallons dispensed with the pump meter readings daily
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Mr. Mark Tompkins, Chairman
January 24, 2007
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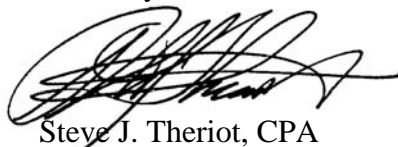
- Prepare a monthly analysis or summary by vehicle that includes, at a minimum, the number of gallons dispensed, miles traveled, and miles per gallon (for those vehicles that have odometers)
- Require the chairman or other designated commission member to review the analysis monthly to determine for each vehicle that the dates of use are reasonable, and the number of gallons received, miles traveled, and miles per gallon are reasonable

Disaster Recovery/Business Continuity Plan - We recommend that:

- A formal written disaster recovery/business continuity plan be prepared and tested/revised annually. Having a formal written plan is a good business practice as it will provide the steps to be performed to continue the district's operations in the event of a natural disaster, fire, or terrorist attack.
- The district maintain a back-up copy of its computer system at an off-site location.

I trust this information will assist you in the operations of the district. 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

RLT:GLM:JSI:ss

[D4PWC06]

cc: Mr. Danny Lafleur
Mr. Miles Briley
Mr. Ronnie Fontenot
Mr. Jesse Howard
Mr. Paul Doucet
Mr. Glen Frilot
Mr. Hugh Richard
St. Landry Parish Government

Management's Response

WARD 5, PCT 6
Mark Tompkins
Chairman

WARD 1, PCT 19
Miles Briley
Vice-Chairman

WARD 5, PCT 1A
Ronnie Fontenot
Treasurer

WARD 5, PCT 2
Danny Lafleur
Secretary

**DISTRICT NO. 4 PUBLIC WORKS COMMISSION
OF ST. LANDRY PARISH**

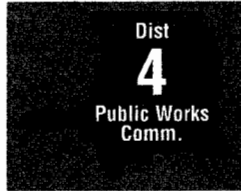
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Washington, LA 70589
Phone 337-826-4500 • Fax 337-826-4555

WARD 1, PCT 5
Glenn Frlot

WARD 1 PCT 15A
Hugh Richard

WARD 5, PCT 3A
Jessie Howard

WARD 5, PCT 3
Paul Doucet



January 17, 2007

**Mr. Steve J. Theriot, CPA
Legislative Auditor
State of Louisiana
Baton Rouge, LA 70804-9397**

Dear Mr. Theriot:

On behalf of the St. Landry Parish District's Four and Six Public Works Commission Board Members, I would like to take this opportunity to thank you for allowing your staff to visit our office to review our records.

In your letter dated December 13, 2006, you made several recommendations in which we are currently working toward implementing. Some of the items listed have already been taken care of. Operating and Sinking Fund Bank Statements for each district have already been mailed to the Board of Commissioners Chairmen. Individual time sheets are being filled out daily by each employee. The daily activity work orders are being kept separate. A second USB has been purchased to back up our computer system and is being kept off site.

We acknowledge all of your recommendations and will be working on implementing these procedures as promptly as possible.

Again, we thank you for your assistance and for your patience in allowing us the time needed to resolve these matters.

Sincerely,


Linda F. Gaspard, Office Manager