

NATCHITOCHESES PARISH DETENTION CENTER



COMPLIANCE AUDIT
ISSUED OCTOBER 21, 2009

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LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

October 21, 2009

Honorable Victor E. Jones, Jr., Sheriff
Natchitoches Parish Sheriff's Office
Natchitoches Parish Detention Center
200 Church St.
Natchitoches, LA 71457

Dear Sheriff Jones:

We have audited certain transactions of the Natchitoches Parish Sheriff's Office - Detention Center (NPDC) for the period July 1, 2005, to December 31, 2008. Our audit was conducted in accordance with Title 24 of the Louisiana Revised Statutes to determine the propriety of certain transactions.

Our audit consisted primarily of inquiries and the examination of selected financial records and other documentation. The scope of our audit was significantly less than that required of an audit by *Government Auditing Standards*; therefore, we are not offering an opinion on NPDC's financial statements or system of internal control nor assurance as to compliance with laws and regulations. The concerns and results of our audit are listed below for your consideration.

After examining selected NPDC invoices, we noted instances where the NPDC may have violated the Louisiana Public Bid Law (materials and supplies).¹ During fiscal years 2006, 2007, and 2008, the NPDC purchased inmate prescription drugs and over-the-counter stock medicines from a local pharmacy in addition to purchasing medical supplies and janitorial supplies from vendors in excess of \$20,000 annually without an advertisement for public bid. The Attorney General's Office has issued two opinions, 02-0122 and 03-0437, that prescription drugs purchased for prisoners whose total cost for the fiscal year exceed the bid threshold must be purchased by public bid.

NPDC contracts with ARAMARK (food services vendor) to provide food services for its inmates, staff, and visitors at the NPDC. During our examination of meal records, we noted that from January 2008 to February 2009, NPDC paid ARAMARK \$30,450 for meals it did not provide. ARAMARK records during the same period indicate that duplicate dinner charges for work release inmates were billed in error to the NPDC. ARAMARK has agreed to credit the NPDC for the duplicate charges. In addition, NPDC does not have a policy to define when meals are provided to employees.

¹**R.S. 38:2212.1** (public bid law) requires all purchases of any materials or supplies exceeding the sum of twenty thousand dollars to be paid out of public funds shall be advertised and let by contract to the lowest responsible bidder who has met the specifications as advertised.

Honorable Victor E. Jones, Jr., Sheriff

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We recommend that NPDC:

- (1) comply with the provisions of the Public Bid Law;
- (2) review all ARAMARK invoices for accuracy before disbursing payments;
and
- (3) establish a policy to limit meals provided to employees for business necessity only.

This correspondence represents our findings and recommendations as well as management's response. This correspondence is intended primarily for the information and use of management of NPDC. I trust this information will assist you in the efficient and effective operations of the agency. Should you have any questions, please contact me at (225) 339-3839 or Mr. Dan Daigle, Compliance Audit Director, at (225) 339-3808.

Sincerely,



Steve J. Theriot, CPA
Legislative Auditor

DD:SJT:sr

Management's Response

VICTOR E. JONES, JR.
Sheriff and Ex-Officio Tax Collector
Natchitoches Parish

October 5, 2009

Steve J. Theriot, CPA
Legislative Auditor
1600 North Third Street
Baton Rouge, Louisiana 70804

Dear Mr. Theriot:

I have reviewed the draft of your audit report sent to our office on September 29, 2009.

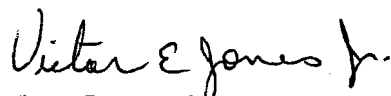
The specific provisions of the Public Bid Law are somewhat ambiguous with respect to the purchase of prescription drugs for inmate use and the applicability of public bid requirements for such purchases. With respect to these and all of our purchasing activities, my office has always sought to obtain the best materials and supplies at the lowest cost to this office in compliance with what we believed to be the applicable laws. We now understand that the Louisiana Attorney General has rendered opinions that treat contracts for pharmaceutical services on behalf of inmates as the purchase of materials and supplies and which further require aggregation of anticipated smaller purchases of prescription medications for a fiscal year to determine whether the bid threshold amount will be met. Generally speaking, the Attorney General is of the opinion that purchases of prescription medications by jail custodians for inmates must be subject to the public bid process. We were not aware of these interpretations. We will, in light of your advice, instruct NPSO staff to make prescription purchases by public bid for those items whose total cost exceeds the bid threshold.

We have also established an additional set of internal fiscal controls requiring weekly review of all Aramark invoices in order to verify invoice accuracy.

We are in the process of making policy modifications in order to limit meals provided to employees for business necessity only.

I want to personally thank you and your audit team for identifying the listed findings. We will make every effort to achieve the compliance standard appropriate to the findings.

Sincerely,



Victor E. Jones Jr.
Sheriff