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January 7, 2004

Mr. A. Joseph Foreman, Chairman,
and Members of the Housing Authority of
Iowa Board of Commissioners
P.O. Box Drawer 700
Iowa, LA 70647

Dear Mr. Foreman:

We performed a limited review of the financial records of the Iowa Housing Authority (Authority) for the period beginning July 1, 2002, and ending November 20, 2003. We also reviewed the Authority's policies and procedures as well as the board meeting minutes. The scope of our work was significantly less than those required by *Government Auditing Standards* in the audit of the Authority's financial statements; therefore, we are not offering an opinion on the Authority's financial statements, the Authority's system of internal control, or assurance as to compliance with laws and regulations.

As part of our review, we noted certain matters that we want to bring to the attention of the board and management for consideration. We offer the following comments and suggestions:

1. **Disbursements:** As a policy and procedure, the Authority attaches canceled checks to invoices as prevention against duplicate payments to vendors. To further ensure against duplicate payments, the Authority should identify paid invoices as paid; attached documents can easily become unattached, which could result in duplicate payments.
2. **Attendance and Payroll Records:** The Authority does not have written policies and procedures for documenting attendance and monitoring payroll. Written policies to ensure good controls over payroll should include documented rate of pay for employees, time reports indicating hours worked, time report approval by management, and records to account for sick leave earned and vacation taken should they apply.
3. **Accounts Receivable:** The Authority has less than \$500 in delinquent rent receipts. Despite the low rate of delinquency, the Authority should establish written policies and procedures for collecting delinquent receivables.
4. **Board Minutes:** The Authority produces written records of its public meetings in a timely fashion. To comply with Louisiana Revised Statutes 42:7.1, proceedings of board meetings should also be published within a reasonable time after the meeting.

5. **Ethics Policy:** The Authority should establish written policy consistent with the Louisiana Code of Governmental Ethics, Louisiana Revised Statutes 42:1101-1125. Management should require annual certification letters from board commissioners and employees attesting to their compliance.

This letter is intended solely for the information and use of the board of commissioners and management of the Iowa Housing Authority and is not intended to be, and should not be, used by anyone other than the board or management. Under Louisiana Revised Statute 24:513, this letter is distributed by the Legislative Auditor as a public document.

If you have any questions, please contact me at (225) 339-3839 or Mr. Daryl Purpera at (225) 339-3807.

Sincerely,

A handwritten signature in cursive script that reads "Grover C. Austin".

Grover C. Austin, CPA
First Assistant Legislative Auditor

JLS:DD:DGP:dl

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