

DESOTO PARISH POLICE JURY



ADVISORY SERVICES REPORT  
ISSUED JUNE 24, 2009

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LOUISIANA LEGISLATIVE AUDITOR  
STEVE J. THERIOT, CPA

June 24, 2009

**MR. DEWAYNE MITCHELL, PRESIDENT,  
AND MEMBERS OF THE DESOTO  
PARISH POLICE JURY**  
Mansfield, Louisiana

My advisory services staff visited the DeSoto Parish Police Jury (police jury) to determine whether the audit findings reported in the 2007 audit report have been resolved and to perform an assessment of the police jury's financial operations using our *Checklist of Best Practices in Government*.

Attachment I contains our findings and recommendations resulting from our assessment and Attachment II provides the disposition/status of the 2007 audit findings. 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.

Our assessment 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 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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## Findings and Recommendations



The following are the findings and recommendations resulting from our advisory services. Management of 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 management an opportunity for its response. Management's response is presented in Appendix A.

### **Prior Year Audit Findings**

As of the date of our visit in January 2009, the police jury had not resolved all 12 audit findings disclosed in its 2007 audit report (see Attachment II). Specifically, the five findings reported on the public housing program have not been corrected and the police jury failed to amend its 2008 budgets timely.

Recommendation: The police jury should ensure that immediate action is taken to address and resolve all prior year findings. We suggest that the treasurer present a monthly status report to the police jury until all findings are resolved.

### **Financial Management**

Our assessment revealed deficiencies in the financial management of the police jury's operations.

**Written Policies and Procedures** - The police jury's written policies and procedures were not complete. 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 and ensure the procedures followed meet management's expectations. Also, written procedures aid in the continuity of operations and for staff cross-training.

Recommendation: We recommend that written policies and procedures be developed, in accordance with applicable Louisiana laws, and implemented for the following areas/functions:

1. Ethics, including issues such as nepotism and prohibited activities and requiring that an annual certification letter be signed by the jurors and all employees attesting to their compliance with the ethics policy
2. Budgeting, including procedures for preparing, adopting, monitoring, and amending budgets
3. Receipts/collections, including procedures for receiving, recording, and preparing deposits for the landfill operations and any other departments that collect money
4. Disbursements, including processing, reviewing, and approving expenditures

5. Procurement/purchasing, including how purchases are initiated and approved and checks and balances to ensure compliance with the public bid law
6. Travel, including rates for business mileage, meals, lodging, parking and the filing of standard expense reimbursement reports documenting the business purpose of the travel
7. Computer, including backing up and storing computer files, security and general controls for the computer system, and monitoring usage
8. Gasoline and diesel inventories, including procedures for dispensing and accounting for usage
9. Citations for road violations, including issuing and accounting for the citations/tickets
10. Payroll, including time/attendance and leave recordkeeping
11. Financial reporting, including the nature, extent, and frequency of reporting financial information to jurors
12. Cellular telephones, including accounting for the business and personal use
13. Credit cards, including procedures for issuing/accounting for cards and monitoring usage
14. Public records, including developing and adopting a formal records retention schedule
15. Road damage assessment program, including procedures for assessing, approving, and billing responsible parties for the costs of repair (e.g., materials, labor, and equipment)
16. Landfill tipping (disposal) fees, including procedures for approving rates, determining/verifying customers who are exempt, billing and collecting fees, and terminating access to the landfill for non-paying/delinquent customers
17. Police jury vehicles, including procedures for assigning, approving, and reporting the business and personal use of vehicles

**Noncompliance With Local Government Budget Act**

The police jury did not fully comply with the Local Government Budget Act (R.S. 39:1301 et seq.).



- The legal instrument (resolution) used to adopt the 2009 general fund budget did not define the authority of executive and administrative officers to make changes within various budget classifications without approval by the police jury, as well as those powers reserved solely to the police jury as required by state law [R.S. 39:1305(D)].
- The 2009 budgets adopted for the general and special revenue funds did not present the estimated fund balance at the beginning and ending of the year as required by law.<sup>1</sup>
- The annual budget for the 2009 Homeland Security Fund (a special revenue fund) was not adopted as required by law.<sup>2</sup>

Recommendation: In the future, the police jury should ensure that all required budgets are prepared and adopted in accordance with all provisions of the Local Government Budget Act.

**Monthly Financial Statements and Budget Comparisons** - The police jury was not reviewing monthly financial statements and budget-to-actual comparisons of the parish funds it administers. Without periodically reviewing financial information on all funds, the police jury cannot effectively exercise its fiduciary responsibilities of managing the fiscal operations of parish government.

Recommendation: The police jury should require the treasurer to prepare monthly financial statements and budget comparisons on all funds and formally present them at the regular meetings. In the presentation, the treasurer should explain the reasons for significant variances, including warnings of any corrective action needed.

**Segregation of Duties** - Certain accounting duties were not adequately segregated for a proper system of checks and balances. Good business practices and proper controls dictate that duties be segregated so that no individual performs or controls all duties related to a financial area/function. Ideally, different employees should be responsible for transaction (1) authorization; (2) custody; (3) recordkeeping; and (4) reconciliation. Without adequate segregation of duties and supervisory oversight, errors or fraud could occur and not be detected.

Our assessment revealed that accounting duties related to the general fund, payroll fund, and homeland security fund were not adequately segregated among employees and there was no evidence of supervisory review of the work performed.

Recommendation: We suggest that the treasurer evaluate the overall business operations and restructure/reassign duties to provide an adequate system of checks and balances. All work should be subject to supervisory review and approval and should be documented in writing.

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<sup>1</sup> **R.S. 39:1305(C) (2) (a)** requires a statement for the general fund and each special revenue fund showing the estimated fund balances at the beginning of the year; estimates of all receipts and revenues to be received; revenues itemized by source; recommended expenditures itemized by agency, department, function, and character; other financing sources and uses by source and use; and the estimated fund balance at the end of the fiscal year.

<sup>2</sup> See footnote 1 above.

**Investing Excess Cash** - The police jury did not have an investment policy as required by state law.<sup>3</sup> Our assessment revealed that without a formal/written investment policy, the police jury invested approximately \$29 million received in 2008 from property leases and royalties.

Recommendation: The police jury should comply with state law by developing and adopting an investment policy that details its investment objectives and the procedures and constraints necessary to meet those objectives.

**Strategic Plan** - The police jury did not have a formal strategic plan for both short-term and long-range goals. A strategic plan provides a vision to determine current and future priorities for operating the police jury and creates shared commitments between the police jury and residents regarding the goals and strategies required to address priorities.

Recommendation: We recommend that the police jury do the following:

- Develop and adopt a strategic plan that includes the objectives for both short-term and long-range goals
- Monitor the strategic plan, at least quarterly, to assess whether the police jury is on target with the plan
- Use the strategic plan in decision-making processes and for budgeting (e.g., projects to undertake, major purchases, contracting, et cetera.)

**Job Descriptions** - Written job descriptions were not available for all employment positions.

Recommendation: Written job descriptions with procedures should be developed for each employment position and be communicated to the employees to ensure they have a clear understanding of their duties and responsibilities.

## **Road Program**

**Parish Transportation Act** - We remind the police jury that the requirements of the Parish Transportation Act [R.S. 48:751 - 48:762] require the police jury to adopt a parish-wide unit system of road administration, as opposed to operating under the old ward system in which each juror is given funds to address its individual districts. The parish-wide system of administration should include:

1. A capital improvement program that uses a three-year priority schedule. The three-year 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. This priority schedule must be approved by the police jury each year by a

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<sup>3</sup> **R.S. 33:2955 (D)** requires political subdivisions to develop and adopt an investment policy that details and clarifies investment objectives and the procedures and constraints necessary to reach those objectives.

majority vote in an open meeting. The list may be amended as additional funding is secured and roadways are included or removed from the parish system.

2. Centralized purchasing of equipment and supplies.
3. Centralized accounting.
4. Selective maintenance program under the authority of the parish road manager.

**Juror Participation in Handicap Driveway Program** - The ordinance for maintaining driveways of handicap residents (Ordinance Number 5 of 2007) requires the juror for that district to participate with the road superintendent on deciding the course of action to be taken in repairing the driveways. Jurors acknowledge their participation by signing the *Handicap Drive Authorization* form.

We caution the police jury that state law<sup>4</sup> provides the parish road manager (superintendent) with the sole responsibility for preparing and administering the parish-wide maintenance program. Also, while input from the individual juror in the affected district may be a good idea, the extent of his/her participation could adversely influence the work assignments/scheduling of the parish-wide road program adopted by the police jury.

Recommendation: We recommend that the police jury amend Ordinance Number 5 of 2007 to remove the participation requirement of jurors, and remove the juror signature line from the *Handicap Drive Authorization* form. We further suggest that the police jury consider seeking advice from its legal counsel.

**Installing Culverts** - The police jury's practice of installing culverts for private individuals free of charge may violate the Louisiana Constitution<sup>5</sup> and state law. As we understand, individuals provide the culverts (has to meet parish specifications), jury employees install the culverts using the jury's materials and equipment, and the work is done free of charge. There was no documentation of the public benefit for installing culverts for private individuals.

According to the Louisiana Attorney General (A.G.) (Opinion Number 05-0153), the police jury can install culverts in public right-of-ways for the benefit of private landowners; however, among other things, there must be a benefit to the public, a cooperative endeavor with the landowner, and reimbursement of its costs. The A.G. generally uses a three-prong test to determine whether a transaction (e.g., culvert installation) is lawful:

1. There must be a public purpose for expending funds.

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<sup>4</sup> **R.S. 48:755(C)** requires that each parish adopt a parish-wide selective maintenance program that provides for a weekly schedule of work to be performed by a category. The program should be prepared and administered by the parish road manager. The parish road manager may authorize maintenance work not contained in the weekly schedule upon receipt of constructive notice of a defect in the parish road system and when, in the opinion of the parish road manager, the defect constitutes a hazard to public safety. The parish road manager shall maintain a record of the work so authorized and shall report on a monthly basis to the parish governing authority.

<sup>5</sup> **Article VII, Section 14(A) of the Louisiana Constitution of 1974** provides that the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporations. **Article VII, Section 14(C)** provides that for a public purpose, the police jury may engage in cooperative endeavors with the state and other political subdivisions, with the United States or its agencies, or with any public or private association, corporation or individual.

2. The transaction must be looked at as a whole, and cannot appear gratuitous on its face.
3. The public entity must have an expectation of receiving something of value when expending funds.

**Recommendation:** We suggest that the police jury develop and adopt a formal culvert policy that incorporates the three-prong test used by the Louisiana Attorney General. We advise the police jury to follow these general guidelines:

- For situations in which the culvert is for the sole benefit of a private landowner, the police jury should not install the culvert.
- For situations in which the culvert is for the sole benefit of the public, the police jury should be responsible for the costs of labor, materials, and equipment.
- For situations in which the culvert is for the mutual benefit of the public and private landowner, the police jury should consider the three-prong test. If the transaction meets all three criteria, the police jury should enter into a cooperative endeavor agreement with the landowner. The agreement should clearly describe the benefits and the costs to be borne by each.

### **Vehicles Taken Home**

The police jury allows certain employees to drive jury vehicles (public property) to and from home which may be tantamount to a donation of public funds that is prohibited by the Louisiana Constitution<sup>6</sup> and state law. The A.G. has opined (Opinion 01-0198) that public vehicles must be used for a public purpose and cannot be used personally because such would be tantamount to a donation of public funds which is prohibited by the constitution.

Our assessment revealed that the police jury has authorized 19 employees to drive parish vehicles home of which 14 were classified as being on 24-hour call. The A.G. has opined (Opinion 07-0180) that an employee who was on 24-hour call could use a public vehicle to travel back and forth from home to work without violating Article VII, Section 14(A) of the Louisiana Constitution. However, a three-prong test is generally used to determine whether the transfer/use of public property was lawful:

1. There must be a public purpose for expending funds.
2. The transaction must be looked at as a whole and cannot appear gratuitous on its face.

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<sup>6</sup> See footnote 5 on previous page.

3. The public entity must have an expectation of receiving something of value when expending funds.

There was no documentation that the 14 employees met those criteria. Also, for the other five employees who were not on 24-hour call, there was no documentation of the public purpose/benefit for taking a jury vehicle home.

In addition, Internal Revenue Code § 61: Treasury Regulation § 1.61-21 states that if an employer (police jury) provides an employee with a vehicle that is available to the employee for personal use, the value of the personal use must generally be included in the employee's income and wages [reported on employee's Internal Revenue Service Form W-2 (*Wage and Tax Statement*)] .

Recommendation: The police jury should ensure compliance with the Louisiana Constitution and state law by documenting consideration and use of the three-prong test in determining whether employees on 24-hour call can take a vehicle home lawfully. For other employees that are allowed to take a vehicle home, we suggest that there be documentation of the police jury's determination that such use benefits the public. The public benefit should outweigh the private benefit.

We also suggest that the treasurer research the federal employment tax laws that require personal use of vehicles to be accounted for and reported to employees (on Form W-2) to ensure that the police jury is in full compliance.

### **Purchasing and Disbursements**

Controls over purchasing and disbursements need to be strengthened. Good business practices dictate that purchases be supported by appropriate documentation and be approved prior to payments being made. Without documentation and approval, there is a greater risk of paying for unauthorized purchases.

For example, our assessment revealed the following:

- Management's approval was not always obtained and documented (on invoices) prior to making payments.
- Administrative purchases (e.g., office supplies) were not always supported by purchase orders.
- Receipts for travel charges made using the Capital One credit card were missing and there was no documentation of the business purpose for the charges.
- Receipts for purchases made using the Fuelman credit card charges were not always maintained.

Recommendation: To strengthen controls over purchasing, the police jury should ensure that all departments are using a purchase order system. Without exception, all purchases/charges should be supported by detailed receipts including documentation of the business purpose. Check signers should review all supporting documentation before payments are made and document their approval in writing (on receipts/invoices).

### **Housing Program Contract**

Controls over the contract for the parish housing program need to be improved. In 2008, the police jury paid \$111,272 to Louisiana Housing Development Company, LLC (LHDC) to administer the parish's Section 8 housing assistance grant program.

The police jury was not monitoring its contract with the LHDC to ensure that the housing program complied with federal requirements. The police jury's 2007 audit report contained five findings related to LHDC's administration of the housing program and our assessment revealed that none of the findings have been corrected (see Attachment II).

Recommendation: The jury should:

- Assign contract monitoring/oversight to a responsible official who would ensure that contracts are centrally maintained, services are performed, deliverables are received, and payments are made in accordance with the terms and conditions
- Require that a representative of LHDC present a monthly status report at the police jury meetings until all findings related to the housing program are fully corrected.

### **Accepting Gifts**

Gifts were accepted from a vendor which may be contrary to state law. R.S. 42:1115 provides, in part, that no public servant shall solicit or accept, directly or indirectly, anything of economic value as a gift or gratuity from any person or employee of any person who has or is seeking to obtain contractual or other business or financial relationships with the public servant's agency.

Our assessment revealed that an office supply vendor periodically includes "free" gift-type items with the police jury's supply orders. For example, in 2008, gift items included candy, DVDs, tool kits, and bath sets. We were informed that these gift items were given out as door prizes at the annual convention of the Police Jury Association.

Recommendation: The police jury should ensure compliance with state law and strictly prohibit the acceptance of any gifts from vendors. The police jury should formally notify its employees and vendors of the prohibition. We further suggest that the police jury consider seeking advice from the Louisiana Board of Ethics.

## **Payroll**

Controls over payroll need to be strengthened. The police jury's payroll system is a mixed combination of manual and computerized components/processes which appears to be inefficient and increases the risk for errors.

**Time/Attendance Recordkeeping** - Time records (e.g., time sheets, time cards, et cetera) documenting hours worked were not prepared by all employees. In addition, time records were not always signed by both the employee and supervisor. Without time/attendance records, including evidence of supervisory review and approval, management cannot ensure that hours worked are accurate.

Recommendation: We recommend that the police jury require all employees to document their daily attendance at work, including the number of hours worked each day, the time of day the work was performed (e.g., 8 a.m. to 5 p.m.), and a brief description of the work performed. Time sheets should be signed by both the employee and supervisor. We suggest that the parish administrator review and approve the time sheets of department supervisors.

**Leave Recordkeeping** - The earning and use of vacation and sick leave by employees (approximately 70 employees) was being manually calculated, recorded, and tracked. We recalculated the vacation leave balances at January 1, 2008, for 19 employees and found differences in the leave balances for four employees (21%).

Recommendation: To increase efficiency and accuracy, the police jury should consider upgrading the payroll software/system to automatically calculate, record, and track leave. In addition, each pay period, employees should be provided with a summary of their leave activity (e.g., beginning leave balance + leave hours earned during the pay period – leave hours taken during the pay period = ending leave balance).

## **Disaster Recovery Plan**

We recommend that a written disaster recovery/business continuity plan for the police jury be prepared and tested/revised annually. A written plan is a good business practice as it will provide the steps to be performed to continue police jury operations in the event of a natural disaster, fire, or terrorist attack.

## **Internal Audit Function**

We recommend that the police jury consider implementing an internal audit function, a function which would report directly to the police jury's audit committee.

The police jury had total assets of approximately \$30 million at June 30, 2007, and in 2008, received \$28 million in rents/royalties and may benefit by having an internal auditor. An internal auditor could independently assess and objectively evaluate the parish's operations for risks,

controls, compliance, ethics, economics, efficiencies, and safeguarding of assets. The scope of the internal auditor's work would include all operations where there is risk of financial exposure, potential for loss, and when there are major changes in operations, programs, systems, and controls.



## Disposition of 2007 Audit Findings



DISPOSITION OF AUDIT FINDINGS

The following presents a summary of the audit findings reported in the December 31, 2007, annual financial statements (reported by the police jury’s independent auditor) and the disposition of those findings based on our inquiries and general observations as of February 5, 2009. Management’s response is presented in Appendix A.

<b>December 31, 2007, Audit Findings</b>	<b>Disposition as of February 5, 2009</b>
1. The police jury’s 2007 audit report was not filed with the Legislative Auditor on or before June 30, 2008, as required by state law (six months after the close of the fiscal year).	<u>Not Determinable.</u> The due date for filing the 2008 audit report is June 30, 2009.
2. The police jury was not able to provide bid documentation or contracts related to the purchase of fuel.	<u>Resolved.</u>
3. The police jury did not amend budgets when the actual revenues failed to meet budgeted revenues by 5% or more or when the actual expenditures exceeded budgeted expenditures by 5% or more, as required by state law.	<u>Unresolved.</u> Budgets were not amended when there was a 5% or more variance in actual revenues or expenditures. The police jury did not amend 2008 budgets until January 2009 (after year-end).
4. The police jury provided driveway maintenance to handicap residents without using objective financial criteria to determine the need for such assistance. As a result, the police jury may have violated Article VII, Section 14 of the Louisiana Constitution.	<u>Not Determinable.</u> The police jury is awaiting the formal opinion of the Louisiana Attorney General on its driveway program for handicap residents.
5. The police jury spent Parish Transportation Act funds on road projects that, according to the parish-wide priority ranking, were not the most critical needs existing parish-wide.	<u>Not Determinable.</u> In 2008, the police jury did not spend funds appropriated under the Parish Transportation Fund Act.
6. The price paid for tires was not always the same price as the accepted bid price.	<u>Resolved.</u>
7. Citations issued for road violations were not issued in sequential numerical order.	<u>Resolved.</u>

December 31, 2007, Findings	Disposition as of February 5, 2009
<p>8. The housing authority improperly paid housing assistance payments to owners/landlords during periods that the units did not pass inspection.</p>	<p><u>Unresolved.</u> A representative of Louisiana Housing Development Company (LHDC) informed us that payments/checks issued to owners of multiple housing units are not reduced during the period when a unit fails inspection.</p> <p>As part of administering the housing program, LHDC prepares the owner/landlord checks and submits to the police jury for signature. The police jury was not monitoring the payments to ensure that the housing assistance grant program complied with the federal requirements. (See finding, <i>Housing Program Contract.</i>)</p>
<p>9. The housing authority improperly paid housing assistance payments to owners before the contract date.</p>	<p><u>Unresolved.</u> A representative of LHDC informed us that the housing assistance payments to owners of multiple housing units are not reduced when one units fails to be certified prior to the contract date.</p>
<p>10. The housing authority was not in compliance with federal regulations related to maintaining records of tenant identity, eligibility, and income verification.</p>	<p><u>Unresolved.</u> A representative of LHDC informed us that it has not completed the process of updating tenant files to include all required information.</p>
<p>11. The housing authority improperly paid housing assistance payments outside the dates of certification shown on Department of Housing and Urban Development Form 50058, and payments were not abated for failure to make repairs to dangerous or life-threatening situations within 24 hours.</p>	<p><u>Unresolved.</u> A representative of LHDC informed us that this issue has not been addressed and resolved.</p>
<p>12. The housing authority did not always maintain records of the basis for determining that the rent paid to an owner is reasonable (initially and during the term of the rental contract).</p>	<p><u>Unresolved.</u> A representative of LHDC informed us that they have not completed the process of verifying that all tenant files contain documentation of the basis for determining the rent is reasonable.</p>

## Management's Response





# DeSoto Parish Police Jury

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June 16, 2009

Mr. Steve J. Theriot, CPA  
Louisiana Legislative Auditor  
Office of 1600 North Third Street  
Post Office Box 94397  
Baton Rouge, Louisiana 70804-9397

Re: Advisory Services Division Report  
DeSoto Parish Police Jury

Dear Mr. Theriot:

The DeSoto Parish Police Jury offers the following response to your Advisory Services Division report and its assessment of our financial management system. We are grateful for the courteous and supportive communications we had with your staff not only during their initial visit but also throughout the countless phone calls and emails as well as during the exit conference.

### Prior Year Audit Findings

The DeSoto Parish Police Jury will take immediate action to address and resolve all prior year findings. The treasurer will present a monthly status report to the police jury until all findings are resolved.

### Financial Management

*Policies and Procedures* - The DeSoto Parish Police Jury is reviewing and updating its policies and procedures to implement the recommendations presented in the report.

*Noncompliance with Local Government Budget Act* - The DeSoto Parish Police Jury will ensure that budgets are prepared and adopted for all funds, in accordance with the Local Government Budget Act.

*Monthly Financial Statements and Budget Comparisons* - Monthly financial statements are being prepared and submitted to the police jury on a monthly basis. The Parish Treasurer will present the budget to the police jury at their regular meeting and provide any pertinent information regarding significant variances and inform the police jury of any corrective action needed.

Mr. Steve J. Theriot, CPA  
Page 2  
June 15, 2009

*Segregation of Duties* – The treasurer will review and make necessary changes to segregate duties of financial staff to ensure an adequate system of check and balances and supervisory oversight of their work.

*Strategic Plan* – The Police Jury will:

- Develop and adopt a strategic plan that includes the objectives for both short-term and long-range goals.
- Monitor the strategic plan, at least quarterly, to assess whether the police jury is on target with the plan.
- Use the strategic plan in decision-making processes and for budgeting (e.g., projects to undertake, major purchases, contracting, etc.)

*Investing Excess Cash* – The police jury is interviewing investment advisors with the intent of retaining one to develop an investment policy to ensure compliance.

*Job Descriptions* – The police jury has begun the groundwork to finalize job descriptions for all positions to fully clarify each employee's duties and responsibilities.

#### Road Program

*Parish Transportation Act* – The police jury has segregated its Parish Transportation funds and will only spend the funds on roads listed in the three-year priority schedule adopted by the Police Jury and in compliance with the Parish Transportation Act. Purchasing of equipment/supplies and accounting will be centralized. The road manager/superintendent has authority over the selective maintenance program.

*Juror Participation in Handicap Driveway Program* – The police jury will amend Ordinance No. 5 of 2007 and remove the signature line from the *Handicap Authorization Form*. The police jury is awaiting an opinion from the Louisiana Attorney General's office and will comply in accordance with its recommendations.

*Installing Culverts* – The Police Jury will adopt a formal culvert policy that incorporates the three-prong test and implements the recommended general guidelines.

#### Vehicles Taken Home

The police jury will review its current policy regarding employees who drive vehicles to and from home to determine compliance with the three-prong test and will adopt policy prohibiting personal usage. The treasurer will research the federal employment tax law

#### Purchasing and Disbursements

The police jury will review its current policy and make necessary changes to ensure that all departments are using a purchase order system and providing adequate supporting documentation for any disbursements. Check signers will review all supporting documentation



Mr. Steve J. Theriot, CPA  
Page 3  
June 15, 2009

before payments are made and document their approval in writing on receipts/invoices. When used, signature stamps shall remain in the signer's possession at all times.

Housing Program Contract

The police jury is reviewing its options to adequately monitor the housing program contract and has requested that a representative of Louisiana Housing Development Company LLC present a monthly status report to the police jury at its regular meeting. Contract monitoring will be assigned to a responsible official.

Accepting Gifts

The police jury will notify its employees of the prohibition to accept gifts from vendors. The police jury will also seek advice from the Louisiana Board of Ethics.

Payroll

*Time/Attendance Recordkeeping* – The police jury is revising its time and attendance records to more fully comply with the recommendation presented by Advisory Services.

*Leave Recordkeeping* – The police jury will maintain earning and use of vacation and sick leave by employees on the payroll software/system to accurately track leave. Upon implementation, the police jury will provide each employee with a summary of his/her leave activity each pay period.

Disaster Recovery Plan

The police jury will develop a written disaster recovery/business continuity plan to provide steps to be performed to continue police jury operations in the event of a natural disaster, fire, etc. and will keep a copy off-site to ensure availability following such disaster.

Internal Audit Function

The police jury is reviewing options to implement an internal audit function, to be provided by an external independent consultant or in-house staff with said consultant/staff reporting to the police jury's finance (audit) committee.


Once again, we thank you for all of your assistance.

Sincerely,

**DESOTO PARISH POLICE JURY**



B. D. Mitchell, President



Steven W. Brown, P.E.  
Parish Administrator/Engineer



Ernel Jones, Vice President



Linda B. Gatlin, Parish Treasurer