

ACT 774 ANNUAL REPORT



INFORMATIONAL REPORT
ISSUED DECEMBER 21, 2020

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

December 21, 2020

**THE HONORABLE MIKE COOPER,
ST. TAMMANY PARISH PRESIDENT
THE HONORABLE MICHAEL LORINO, JR.,
CHAIRMAN, ST. TAMMANY PARISH COUNCIL**

Dear President Cooper and Chairman Lorino:

Attached is the fifth annual report on the results of Act 774 (Act) of the 2014 Regular Legislative Session, as amended. The Act provides my office the authority to establish the criteria for procedures that shall be performed in addition to annual reporting requirements for entities within St. Tammany Parish with governmental revenues of \$75,000 or more per fiscal year.

The report summarizes my office's risk assessment process, assignment of procedures to be performed relative to the Act, and the results of those assigned procedures. Appendix A contains a listing of entities subject to the Act, as well as the results of procedures, by entity. Appendix B contains a complete listing of entities, as well as the results of procedures, for those entities that were not included in the prior-year report because their reports had not been issued at the time of publication of the parish report.

I hope this report will benefit you in your decision-making processes, assist in protecting public assets, and improve transparency and accountability in parish government. I would also like to express my appreciation to the St. Tammany Parish Government and Council for their support.

Respectfully submitted,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

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ACT774 2020

Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE

Act 774 Annual Report

December 2020



Audit Control # 70210007

History and Requirements

During the 2013 Regular Legislative Session, the Senate passed a concurrent resolution to form the St. Tammany Parish (Parish) Office of Inspector General Task Force (task force). This resolution was initiated by a group of concerned Parish citizens in response to publicized issues in some Parish governmental entities. The task force was comprised of 23 Parish representatives who worked to develop a means for the Parish to take a proactive role in the protection of public funds, as well as fostering transparency and accountability in Parish government.

Instead of creating an Office of Inspector General, the task force's efforts resulted in the passage of Act 774 of the 2014 Regular Legislative Session (Act). The Act, as amended, provides in part that the Louisiana Legislative Auditor (LLA) shall establish the criteria for procedures that shall be performed in addition to annual reporting requirements for entities with governmental revenues of \$75,000 or more per fiscal year. Based on LLA's fifth-year evaluation, 67 entities within the Parish were found to be subject to additional LLA risk assessment, as required by the Act. The requirements of this Act were written to only apply to St. Tammany Parish.

During the 2018 Regular Session of the Louisiana Legislature, an amendment to Act 774 was passed (Act 531). Act 531 states that "after three consecutive years of no findings resulting from the submission of the additional information, the qualifying entities shall only be required to comply with the provisions of this Subitem triennially in lieu of annually." Three entities met this criterion and were not assigned procedures for the fifth year of Act 774 implementation. Those entities are St. Tammany Fire Protection District No. 9, Youth Services Bureau of St. Tammany (CASA), and Northshore Harbor Center.

Risk Assessment

LLA conducted individualized assessments for each of the 67 entities identified. The assessments were used to develop and assign financial procedural areas for each entity. These procedural areas were assigned based on high-risk indicators identified either within the entity itself or areas that LLA has found to be high-risk in other similar governments. We chose this methodology to allow for more extensive testing in high-risk areas that may not be tested in a traditional audit. The following factors were used in our risk assessment process:

- A detailed review of each entity's financial statements;

- An assessment and review of a best practices questionnaire completed by each entity;
- Conversations with contract CPAs to obtain more detailed information and dollar amounts for financial areas considered to be high-risk; and
- Consideration of any allegations reported to our office or identified by other means.

Using this process, we determined which entities would be evaluated by our office, as well as those that would be contracted to independent CPAs, as follows:

- Sixty-two entities were subjected to agreed-upon and other procedures (AUP) performed by independent CPAs (45) and LLA (17).
- Two entities were subjected to only a limited LLA internal assessment.
- Three entities were not subjected to AUPs or other procedures under the provisions of Act 531 of 2018.

Procedural Areas and Results

As of October 5, 2020, LLA had issued 53 AUP reports/letters, as follows:

- Thirty-nine of the 45 entities' AUPs performed by CPAs had completed reports. The remaining six entities (City of Covington, Northlake Homeless Coalition, Housing Authority of Slidell, St. Tammany Parish Fire Protection District No. 6, Town of Pearl River, and St. Tammany Parish Tourist and Convention Commission) had not submitted reports.
- Fourteen of the 17 entities' AUPs performed by LLA had completed reports or letters. The remaining reports for the St. Tammany Parish Drainage District No. 4, St. Tammany Sewerage District No. 4, and St. Tammany Parish Waterworks District No. 3 had not been completed.

LLA determined the number and types of AUPs that would be performed at each of the Parish entities. The number of procedural areas at each entity ranged from one to 14, based on the size and complexity of the entity. For the 53 reports/letters issued, the most common procedural areas and number of entities to which they were assigned are as follows:

- Sexual Harassment – 34 (24 with one or more exceptions)
- Written Policies and Procedures – 20 (12 with one or more exceptions)
- Board Oversight – 19 (6 with one or more exceptions)

- Credit Cards/Debit Cards/Fuel Cards/P-Cards/Open Lines of Credit – 18 (9 with one or more exceptions)
- Bank Reconciliations – 17 (8 with one or more exceptions)
- Ethics – 16 (9 with one or more exceptions)
- Collections/Receipts/Adjustments – 14 (9 with one or more exceptions)
- Non-payroll Disbursements – 13 (3 with one or more exceptions)
- Contracts/Cooperative Endeavor – 10 (2 with one or more exceptions)
- Payroll and Personnel – 10 (1 with exceptions)
- Travel and Expense Reimbursement – 8 (2 with one or more exceptions)
- Safeguarding Assets/Capital Assets – 7 (4 with one or more exceptions)
- Debt Service – 5 (1 with exceptions)
- Public Bid Law – 5 (no exceptions)
- Traffic Tickets – 3 (2 with exceptions)
- Debt Collection/Write-off – 2 (2 with one or more exceptions)
- Court Fines/Fees Distributions – 2 (2 with one or more exceptions)
- Fraud Hotline Posting – 2 (no exceptions)
- All Other Procedural Areas – 21 (8 with one or more exceptions)

We also reviewed information technology disaster recovery/business continuity at several agencies and discussed the results of our work with management.

A complete listing of entities and results of procedures is located in Appendix A.

Prior-Year Reports

When we issued our prior-year Act 774 Annual Report, five entities' (St. Tammany Parish Sewerage District No. 4, Housing Authority of Slidell, Housing Authority of the City of Covington, Northlake Homeless Coalition and St. Tammany Parish Tourist and Convention Commission) fourth-year reports had not yet been issued. The annual report was released without the information for these five entities for the sake of timeliness. The fourth-year details for these reports may be found in **Appendix B**.

Impact of Procedures

Forty-four entities that had exceptions in prior years were assigned “follow-up” procedures to determine whether the exceptions had been corrected. The following entities had three or more “repeat” exceptions:

- St. Tammany Parish Fire Protection District No. 3
- St. Tammany Parish Fire Protection District No. 7
- St. Tammany Parish Fire Protection District No. 8
- St. Tammany Parish Fire Protection District No. 11
- St. Tammany Parish Recreation District No. 11
- St. Tammany Parish Recreation District No. 12
- St. Tammany Parish Sewerage District No. 1
- St. Tammany Parish Sewerage District No. 4
- Town of Abita Springs
- Village of Folsom
- Village of Sun

Follow-up procedures and the results of those procedures are identified, by entity, in **Appendix A**.

Cost

The actual cost for the fifth year of operations using LLA and various local CPA firms was less than \$300,000, which is consistent with prior costs. The original 2013 estimate for funding an inspector general function in St. Tammany Parish was \$1.4 million annually.

APPENDIX A: SUMMARIZED RESULTS OF AGREED-UPON PROCEDURES, BY ENTITY

As of October 5, 2020, the Louisiana Legislative Auditor had issued 53 reports related to Act 774. Those procedures that were reassigned for the fifth year based on exceptions noted during first, second, third, and/or fourth year testing are identified as “follow-up” with the initial year reported. The summarized results of agreed-upon procedures performed at each Parish entity and exceptions noted are as follows:

1. City of Slidell:

- Ethics (follow-up)
 - The City does not require employees or elected officials to sign annual certification forms attesting that they have read and will abide by the City’s ethics policy **(Repeat)**.
- Due To/From Grant & Donation Accounts (follow-up)
 - Management could not provide a complete reconciliation of due to and due from balances to underlying support, including individual grant records.
- Traffic Tickets (follow-up)
 - Management did not provide evidence that collection documentation submitted by the court was being used by the City to reasonably assess the completeness of collections received from the court **(Repeat)**.

2. City of Mandeville:

- Traffic Tickets (follow-up)
 - The City’s written policy and procedures over traffic tickets do not address the timely deposit of traffic tickets **(Repeat)**.
- Ethics
 - The City’s written policies and procedures over ethics do not require that employees, including elected officials, annually attest through signature verification of having read the ethics policy.
- Dedicated Funds – No exceptions noted.

3. District Attorney for 22nd Judicial District:

- Collections (follow-up) – No exceptions noted.
- Credit Cards/Debit Cards/Fuel Cards/P-Cards

- Written policies and procedures did not include a provision for the removal of signatory authorization upon termination of employment;
 - One statement lacked evidence of each applicable member of management's review and approval;
 - One receipt did not clearly identify what was purchased; and
 - Five purchases lacked written documentation of the business/public purpose.
- Sexual Harassment
 - Written policies and procedures over sexual harassment were not prominently posted on the DA's website or in a conspicuous location in each office and did not address all agency responsibilities, as required by Louisiana Revised Statutes 42:342-344; and
 - The DA's annual sexual harassment report was not completed until April 2020, rather than the February 1, 2020, deadline required by Louisiana Revised Statute 42:344.
 - Diversion Program
 - We did not note any exceptions regarding participant eligibility, but we were unable to test the proper disbursement of funds because diversion expenses are commingled with non-diversion expenses.
4. **East St. Tammany City Court (Formerly Slidell City Court):**
- Payroll and Personnel – No exceptions noted.
 - Sexual Harassment – No exceptions noted.
5. **Housing Authority of the City of Covington:**
- Bank Reconciliations (follow-up) – No exceptions noted.
 - Ethics (follow-up)
 - Not all board members completed one hour of ethics training, and not all board members signed the entity's ethics policies and procedures document **(Repeat)**.
 - Sexual Harassment
 - Not all board members documented having sexual harassment training.
6. **Keep Louisiana Beautiful Inc.:**
- Credit Cards/Debit Cards/Fuel Cards/P-Cards (follow-up) – No exceptions noted.
 - Sub-recipient Monitoring (follow-up) – No exceptions noted.

- Cooperative Endeavor (follow-up) – No exceptions noted.
7. **Northshore Families Helping Families Inc.:**
- Payroll and Personnel – No exceptions noted
8. **Northshore Housing Initiative, Inc.:**
- Board Oversight (follow-up) – No exceptions noted.
9. **Nutrition Education Services:**
- Board Oversight (follow-up) – No exceptions noted.
 - Credit Cards/Debit Cards/Fuel Cards/P-Cards (follow-up) – No exceptions noted.
10. **Safe Harbor Inc.:**
- Credit Cards/Debit Cards/Fuel Cards/P-Cards (follow-up) – No exceptions noted.
 - Board Oversight – No exceptions noted.
11. **Slidell City Marshal:**
- Collections (Completeness/Additions) (follow-up) – No exceptions noted.
 - Non-payroll Disbursements (Agency Fund Deductions) (follow-up) – No exceptions noted.
 - Payroll and Personnel (follow-up) – No exceptions noted.
 - Sexual Harassment
 - There were no policies and procedures addressing annual employee training and annual reporting requirements.
12. **NAMI St. Tammany (Formerly St. Tammany Alliance for the Mentally Ill Inc.):**
- Written Policies and Procedures (follow-up) – No exceptions noted.
 - Travel and Expense Reimbursements – No exceptions noted.
 - Board Oversight – No exceptions noted.
13. **St. Tammany Children’s Advocacy Center:**
- Written Policies and Procedures (follow-up) – No exceptions noted.

14. St. Tammany Parish ARC-STARC of Louisiana Inc.:

- Written Policies and Procedures (follow-up) – No exceptions noted.
- Safeguarding Assets (Capital Assets) (follow-up) – No exceptions noted.
- Bank Reconciliations – No exceptions noted.

15. St. Tammany Parish Assessor:

- Bank Reconciliations – No exceptions noted.
- Safeguarding Assets (Capital Assets) – No exceptions noted.
- Sexual Harassment – No exceptions noted.
- Fraud Hotline – No exceptions noted.
- Vehicle Take Home Policy
 - Management represented that the Assessor's Office does not have take-home vehicles but does allow employees to occasionally take an office vehicle home when they are either leaving early the following morning or when they will be getting home late from Assessor business. The policies and procedures do not specifically address office vehicles that are taken home, but do address general vehicle usage, including employee responsibilities and verification of driving records.

16. St. Tammany Parish Clerk of Court:

- Agency Funds
 - Management began using a new automated bank reconciliation process prior to June 30, 2019; however, the June 30 balancing reports were unreconciled by approximately \$21,000. Management worked with its system vendor to provide a balanced bank reconciliation on December 6, 2019.
 - 843 civil suits with five or more years of inactivity, totaling \$69,220, were not refunded, sent to Unclaimed Property, or otherwise addressed in accordance with Louisiana Revised Statute 13:842.
- Court Fine/Fee Distributions
 - The Clerk currently provides disbursement documentation to recipient agencies, including names and case numbers, with additional detail available upon request.

17. St. Tammany Parish Communications District:

- Written Policies and Procedures (follow-up) – No exceptions noted.
- Contracts – No exceptions noted.
- Safeguarding Assets (Capital Assets)

- The District did not perform a capital asset inventory count within the past year;
- A disposed asset was still included on the asset listing; and
- All of the assets selected for testing that should have been tagged were not tagged.
- Sexual Harassment
 - The District's sexual harassment policies and procedures did not include procedures relating to annual reporting requirements; and
 - The District did not post its sexual harassment policy and complaint procedure on its website.

18. St. Tammany Parish Coroner:

- Ethics (follow-up) – No exceptions noted.
- Sexual Harassment – No exceptions noted.

19. St. Tammany Parish Council on Aging Inc.:

- Written Policies and Procedures
 - Policies and procedures did not address all business and financial functions.
- Board Oversight – No exceptions noted.
- Collections (follow-up)
 - Individual senior centers were not required to document the date and amount of donations received. Management represented that donations were deposited on a monthly basis **(Repeat)**.
 - One donation box was examined and was not adequately secured to prevent theft.
 - The Director of Finance's job duties related to the handling and depositing of the donations were not properly segregated, and the Director was not documenting his review of senior centers that reported no donations for a particular month.
- Delivery of Meals to Seniors
 - Policies and procedures did not address criteria for redistributing meals that could not be delivered to the intended recipient.
 - Meal recipients did not sign for the meals that they received, as a best practice.

20. St. Tammany Parish Development District:

- Contracts (follow-up) – No exceptions noted.
- Payroll and Personnel – No exceptions noted.
- Non-payroll Disbursements
 - The Manager of Administration is the only person responsible for processing payment and is also responsible for adding and modifying vendor files due to the small size of the District. However, checks are signed by two board members.
- Credit Cards/Debit Cards/Fuel Cards/P-Cards
 - The CEO's credit card statement was not approved, in writing, by someone other than the authorized card holder.
- Sexual Harassment
 - Written sexual harassment policies and procedures did not address annual employee training or annual reporting requirements;
 - The District did not provide training to its employees in 2019;
 - The District's sexual harassment policy was not on its website; and
 - The District did not prepare its annual report by February 1st.

21. St. Tammany Parish Drainage District-Sub-Drainage No. 2 of Gravity No. 5:

- Board Oversight (follow-up)
 - There were no written policies and procedures over budgeting **(Repeat)**.
- Bank Reconciliations (follow-up)
 - The District did not have any written policies and procedures over bank reconciliations **(Repeat)**.
- Sexual Harassment
 - The District did not have any written policies and procedures over sexual harassment;
 - The elected officials and paid consultants did not receive sexual harassment training during the calendar year; and
 - The District did not prepare its annual report by February 1st.

22. St. Tammany Parish Fire Protection District No. 1:

- Bank Reconciliations (follow-up)
 - Bank reconciliations did not include evidence that a member of management/board member reviewed the reconciliations; however, all reconciliations have been represented as being approved by the fire chief and the board of commissioners **(Repeat)**.

- Credit Cards/Debit Cards/Fuel Cards/P-cards (follow-up)
 - Not all monthly statements had written evidence of approval. However, all statement transactions were supported by a purchase order, invoice, or receiving report, which were marked as approved by the fire chief **(Repeat)**.
- Non-Payroll Disbursements (follow-up) – No exceptions noted.
- Fund Balance Commitment
 - The fire district's documentation related to the board resolutions contain specific information related to the purpose of the fund balance commitment in each area: however, the actual resolutions adopted are not as specific.
- Sexual Harassment – No exceptions noted.

23. St. Tammany Parish Fire Protection District No. 2:

- Bank Reconciliations (follow-up) – No exceptions noted.
- Non-payroll Disbursements – No exceptions noted.
- Sexual Harassment – No exceptions noted.

24. St. Tammany Parish Fire Protection District No. 3:

- Written Policies and Procedures (follow-up)
 - Travel and expense reimbursement policy did not set the dollar thresholds by category of expense **(Repeat)**.
 - Written contracting policy did not specifically address the types of services requiring written contracts **(Repeat)**.
 - The District's written policy did not specifically address the process for addressing items outstanding for more than 12 months **(Repeat)**.
- Credit Cards/Debit Cards/Fuel Cards/P-Cards/Open Lines of Credit (follow-up)
 - The fire chief reviewed and approved all statements/supporting documentation, but he was also an account holder on all letter of credit accounts/cards tested. All disbursements require at least one board member signature, and supporting documentation was reviewed before disbursements were authorized; however, there was no written evidence of approval by the board member on supporting documentation **(Repeat)**.
- Sexual Harassment
 - No employee completed the sexual harassment training in 2019 but all employees completed the training in 2018 and 2020.

25. St. Tammany Parish Fire Protection District No. 4:

- Collections (follow-up)
 - Two checks were not deposited within one day of receipt; they were deposited four and eight days after receipt, respectively **(Repeat)**.
 - The District changed its actual collections procedures during the year but did not update its written policies and procedures to reflect the changes.
- Non-Payroll Disbursements – No exceptions noted.
- Contracts
 - The District did not maintain evidence that it solicited competitive quotes, as a best practice, for four professional services contracts.
 - Written policies and procedures did not address standard terms and conditions for vendor contracts.
 - The District paid sales taxes on invoices for one vendor despite being a tax-exempt entity.
 - The District paid an attorney a flat fee of \$5,000 per month for professional services but did not maintain documentation to demonstrate that the work performed was commensurate with the amount paid.
- Sexual Harassment – No exceptions noted.

26. St. Tammany Parish Fire Protection District No. 5:

- Ethics (follow-up)
 - One employee was lacking documentation of completing one hour of ethics training during the fiscal period and signature verification of having read the entity's ethics policy **(Repeat)**.
- Written Policies and Procedures
 - During our testing, we found that the entity did not have a written policy regarding receipts/collections, and their contracting policy did not address requirements (1) types of services requiring written contracts, (2) standard terms and conditions, and (3) legal review.
- Sexual Harassment
 - We obtained the entity's written sexual harassment policies and procedures and noted that they did not address annual reporting requirements or other components required by the statute.
 - We observed that two of the five the selected employees were lacking documentation of having completed at least one hour of sexual harassment training during the calendar year.

27. St. Tammany Parish Fire Protection District No. 7:

- Written Policies and Procedures (follow-up)
 - The District's written policies and procedures did not address all best practices or compliance requirements relating to the business and financial functions **(Repeat)**.
- Board Oversight – No exceptions noted.
- Bank Reconciliations (follow-up)
 - The bank reconciliations did not include the signature/initial and date of the independent reviewer (i.e., someone who does not handle cash, post ledgers, or issue checks) for us to determine whether the reconciliations were reviewed timely **(Repeat)**.
 - Management did not have documentation reflecting that it had researched reconciling items that had been outstanding for more than 12 months from the statement closing date.
- Ethics (follow-up)
 - Although the District maintained documentation that employees received the required ethics training, the District did not require employees or board members to annually attest that they have read and will abide by the District's ethics policy **(Repeat)**.
- Sexual Harassment
 - The District did not compile its annual sexual harassment report, as required R.S. 42:344.

28. St. Tammany Parish Fire Protection District No. 8:

- Written Policies and Procedures (follow-up)
 - Written policies and procedures over purchasing did not address adding vendors to the vendor listing. Additionally, the last adopted purchasing policy had not been incorporated into the District's Standard Operating Procedures Manual **(Repeat)**.
 - Written policies and procedures over receipts did not address how deposits are recorded in the general ledger **(Repeat)**.
 - Written policies and procedures over contracting have not been incorporated into the District's Standard Operating Procedures Manual.
- Fueling Stations (follow-up) – No exceptions noted.
- Bank Reconciliations (follow-up) – No exceptions noted.
- Credit Cards/Debit Cards/Fuel Cards/P-Cards (follow-up)
 - The written policies and procedures did not address a prohibition against cash advances nor the procedures for lost receipts **(Repeat)**.

- The District was unable to provide itemized receipts for the credit card statement selected **(Repeat)**.
- Ethics (follow-up)
 - Written policies and procedures over ethics did not address actions to be taken if an ethics violation takes place nor a system to monitor possible ethics violations **(Repeat)**.
 - Only four of five selected employees completed the required ethics training during the year **(Repeat)**.
 - Only four of five selected employees attested through signature verification that he or she had read the entity's ethics policy during the fiscal period **(Repeat)**.
- Board Oversight – No exceptions noted.
- Sexual Harassment
 - The District's sexual and other harassment policy does not address all the requirements of R.S. 42:342-344.
 - The District's sexual and other harassment policy and program did not require training during the fiscal year.
 - The District did not prepare the required annual sexual harassment report for the current fiscal year.

29. St. Tammany Parish Fire Protection District No. 11:

- Credit Cards/Debit Cards/Fuel Cards/P-Cards (follow-up) –No exceptions noted.
- Debt Collection/Write-off (follow-up)
 - District written policy over debt collection and write-off addresses what happens up to 120 days of a past due balance and states it is then turned over to a collection agency. However, the policy does not require a monthly review of the accounts receivable aging schedules and specify that an account is written off when it is referred to the collection agency **(Repeat)**.
- Safeguarding Assets (Capital Assets) (follow-up)
 - The District has a System Documentation Memorandum containing verbiage on acquiring fixed assets; however, it did not address tagging assets, performing an annual inventory, or disposing of assets **(Repeat)**.
 - No formal annual inventory count was performed; however, the inventory is used and checked daily **(Repeat)**.
 - The inventory listing provided did not consistently include the location, manufacturer, model, and serial number for every item **(Repeat)**.
- Board Oversight – No exceptions noted.
- Sexual Harassment

- District policy does not state all of the requirements stated in R.S. 42:342-344; however, the District did have the Revised Statutes posted in the station.
- The annual sexual harassment report was not completed.

30. St. Tammany Parish Fire Protection District No. 12:

- Written Policies and Procedures (follow-up)
 - The District did not have written policies and procedures over Budgeting, Purchasing, Disbursements, Receipts/Collections, Contracting, Travel and Expense Reimbursement, Debt Service, and Bank Reconciliations **(Repeat)**.
- Safeguarding Assets (Capital Assets) (follow-up)
 - The District did not have written policies and procedures over capital assets **(Repeat)**.
- Credit Cards/Debit Cards/Fuel Cards/P-Cards
 - The credit card statement tested had a finance charge included in the outstanding balance.
- Non-payroll Disbursements – No exceptions noted.
- Bank Reconciliations
 - The bank reconciliations do not have evidence that they were reviewed and approved by management or a member of the board.
- Sexual Harassment
 - The District's employees did not have sexual harassment training during the fiscal period.
 - The District does not have its sexual harassment policy and complaint procedure on its website.

31. St. Tammany Parish Fire Protection District No. 13:

- Written Policies and Procedures
 - The District's written policies and procedures addressed budgeting, purchasing, disbursements, receipts/collections, payroll/personnel, contracting, credit cards, travel and expense reimbursement, ethics, debt service, bank reconciliations, and sexual harassment.; however, certain best practices requirements relating to receipts/collections, contracting, and ethics were not addressed.
- Board Oversight – No exceptions noted.
- Bank Reconciliations – No exceptions noted.
- Collections/Receipts

- The auditor could not reconcile the two deposits tested to receipts because a written log/record was not maintained.
- The auditor could not determine if the two deposits were made within one business day of receipt because there was no evidence of the dates that the checks were received by the District.
- Non-payroll Disbursements – No exceptions noted.
- Credit Cards/Debit Cards/Fuel Cards/P-Cards – No exceptions noted.
- Travel and Expense Reimbursements – No exceptions noted.
- Contracts – No exceptions noted.
- Payroll and Personnel – No exceptions noted.
- Ethics – No exceptions noted.
- Debt Service – No exceptions noted.
- Fraud Hotline Posting – No exceptions noted.
- Sexual Harassment – No exceptions noted.

32. **St. Tammany Parish Government:**

- Written Policies and Procedures (follow-up) – No exceptions noted.
- Collections (follow-up)
 - We noted that of the eight deposits tested, one item within one deposit was not made within one business day **(Repeat)**.
- Board Oversight (follow-up) – No exceptions noted.
- Ethics (follow-up)
 - No evidence was noted of signature verification that the employees selected for testing had read the Government’s ethics policy during the fiscal period **(Repeat)**.
- Payroll and Personnel – No exceptions noted.
- Sexual Harassment
 - We obtained the annual sexual harassment report for the current fiscal period and noted it was not dated on or before February 1st.

33. **St. Tammany Parish Hospital Service District No. 1 (St. Tammany Parish Hospital):**

- Payroll and Personnel (follow-up)
 - The System’s existing written documentation does not have a process specifically defined to periodically review changes to leave records by a person without access to change said leave records **(Repeat)**.
- Debt Service – No exceptions noted.

- Public Bid Law – No exceptions noted.
- Travel and Expense Reimbursement
 - The System’s written policies and procedures do not address dollar thresholds for lodging and meals.
- Sexual Harassment
 - The System’s written sexual harassment policies and procedures addressed all requirements of Louisiana Revised Statutes 42:342-344, with the exception of annual reporting requirements. However, the System did issue its annual sexual harassment report without exception.
 - One of the five employees/elected officials/board members selected had not completed at least one hour of sexual harassment training during the calendar year.

34. St. Tammany Parish Hospital Service District No. 2 (Slidell Memorial Hospital):

- Debt Service – No exceptions noted.
- Non-Payroll Disbursements – No exceptions noted.
- Public Bid Law – No exceptions noted.
- Sexual Harassment
 - One employee selected did not complete at least one hour of sexual harassment training during the calendar year.

35. St. Tammany Parish Library:

- Library Fines/Fees (follow-up) – No exceptions noted.
- Ethics (follow-up) – No exceptions noted.
- Written Policies and Procedures – No exceptions noted.
- Bank Reconciliations – No exceptions noted.
- Credit Cards/Debit Cards/Fuel Cards/P-Cards – No exceptions noted.
- Sexual Harassment – No exceptions noted.

36. St. Tammany Parish Mosquito Abatement District:

- Credit Cards/Debit Cards/Fuel Cards/P-Cards (follow-up) – No exceptions noted.
- Contracts – No exceptions noted.
- Non-Payroll Disbursements – No exceptions noted.
- Sexual Harassment – No exceptions noted.

37. St. Tammany Parish Recreation District No. 1:

- Contracts – No exceptions noted.
- Credit Cards/Debit Cards/Fuel Cards/P-Cards – No exceptions noted.
- Travel and Expense Reimbursement – No exceptions noted.
- Sexual Harassment
 - Written policy did not reference annual employee training or annual reporting requirements.
 - Three of the five employees selected for testing did not complete at least one hour of sexual harassment training during the calendar year.

38. St. Tammany Parish Recreation District No. 4:

- Board Oversight (follow-up) – No exceptions noted.
- Ethics (follow-up)
 - For three of five employees/officials selected for testing, ethics training certificates were not present **(Repeat)**.
 - None of the employees/officials tested had documented signature verification that they had read the ethics policy **(Repeat)**.
- Financial management (follow-up) – No exceptions noted.
- Sexual Harassment
 - Two out of five officials/employees completed the one-hour sexual harassment training during the calendar year.
 - The sexual harassment policy was not posted on the District’s website.
 - The District’s annual report was dated March 7, 2020, after the statutory deadline of February 1, 2020.

39. St. Tammany Parish Recreation District No. 6:

- Collections (Concession and Gate Collections) (follow-up) – No exceptions noted.
- Sexual Harassment
 - The written policies and procedures over sexual harassment did not address annual employee training or annual reporting requirements.
 - For all employees tested, no training was completed.
 - No sexual harassment policy/complaint procedure was posted on the District’s website.
 - The District did not prepare an annual report.
- Debt Service (follow-up)

- The written policies and procedures over debt service did not address (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements **(Repeat)**.

40. St. Tammany Parish Recreation District No. 7:

- Written Policies and Procedures
 - Purchasing policies and procedures did not address how vendors are added to the vendor list;
 - Travel and expense reimbursement policies and procedures did not address dollar thresholds by category of expense;
 - The ethics policy did not address the actions to be taken if an ethics violation takes place, the system to monitor possible ethics violations, nor the requirement that all employees, including appointed board members, annually attest through signature verification that they have read the District's ethics policy; and
 - The bank reconciliations policies and procedures did not address the process for addressing items outstanding for more than 12 months from the statement closing date.
- Board Oversight
 - One of the nine required board meetings did not have a quorum. We also noted that none of the board minutes from the fiscal year referenced or included monthly budget-to-actual comparisons on all funds.
- Ethics
 - Four employees/board members selected for testing either did not complete one hour of ethics training, or there was no record of them doing so during the fiscal period; and
 - None of the employees/board members tested attested through signature verification that they had read the District's ethics policies and procedures during the fiscal period.
- Sexual Harassment
 - The District's sexual harassment policies and procedures do not address annual reporting requirements.
 - The District has not posted its sexual harassment policy and complaint procedure in a conspicuous location.
 - The District did not file a sexual harassment report for the fiscal period.
 - None of the employees/board members tested completed sexual harassment training during the fiscal period.

41. St. Tammany Parish Recreation District No. 11:

- Written Policies and Procedures (follow-up) – No exceptions noted.
- Collections (Sports Registration Receipts) (follow-up)
 - Persons responsible for collecting cash were not bonded **(Repeat)**.
 - Employees collecting cash could deposit cash in the bank but could not record the transaction nor reconcile the bank account **(Repeat)**.
 - Employees were allowed to use the same cash drawer **(Repeat)**.
- Contracts – No exceptions noted.
- Sexual Harassment
 - The District has not adopted a sexual harassment policy.
 - No employees/board members have taken one hour of sexual harassment training.

42. St. Tammany Parish Recreation District No. 12:

- Board Oversight (follow up)
 - The monthly budget-to-actual comparisons were not discussed at any of the monthly meetings **(Repeat)**.
- Bank Reconciliations (follow up)
 - Bank reconciliations did not include evidence that a member of management had reviewed each bank reconciliation **(Repeat)**.
 - Twenty-six reconciling items in the operations/maintenance account and six reconciling items in the concessions account that were all older than twelve months and lacked documentation of research **(Repeat)**.
- Collections
 - Job duties are not properly segregated for employees who are responsible for cash collections. Concession stand employees sometimes share the same cash drawer.
 - District employees are not bonded, and the District does not currently have an insurance policy covering employee theft.
 - Receipts/tickets are not sequentially pre-numbered
 - Auditors were unable to trace tickets or system reports to the deposit slips because they do not exist.
 - Auditors were unable to observe that the deposit was made within one business day because receipt date is not recorded. Also, the policy only requires deposits to be made within five business days.
- Public Bid Law – No exceptions noted.
- Sexual Harassment

- One of five employees tested did not complete sexual harassment training; however, that employee was employed for less than one week.
- Entity did not have its sexual harassment policy and complaint procedure on its website or at a conspicuous location on the entity's premises.

43. St. Tammany Parish Recreation District No. 14:

- Bank Reconciliations (follow-up)
 - The District's policy did not address the process for researching items outstanding for more than 12 months from the statement closing date **(Repeat)**.
- Public Bid Law – No exceptions noted.
- Safeguarding Assets (Capital Assets)
 - The District's policy did not address the process for tagging assets, performing an annual inventory, and disposing of assets.
 - The District does not tag items. In addition, the asset listing provided did not include the manufacturer, model, and serial number of the items.
- Sexual Harassment
 - The District's policy did not address all requirements of the Statues.
 - No report was prepared for the current fiscal period.

44. St. Tammany Parish School Board:

- Related Parties – No exceptions noted.
- School Activity Funds Oversight – No exceptions noted.

45. St. Tammany Parish Sewerage District No. 1:

- Written Policies and Procedures (follow-up)
 - Written policies and procedures over contracting did not include types of services requiring a contract, approval process, or a requirement for legal review of contracts **(Repeat)**; and
 - Written policies and procedures over ethics did not a system to monitor for possible violations **(Repeat)**.
- Board Oversight (follow-up)
 - The monthly meeting minutes referenced budget-to-actual comparisons and a review of receipts, expenditures, and joint bank account balances but did not include a monthly reconciliation between customer billings, past-due balances, account adjustments, and pro-rata share of the joint bank account **(Repeat)**.

- Open Meetings Law (follow-up)
 - We noted that meeting minutes were maintained by the District but were not published in the official journal as required by law (**Repeat**).
- Debt Collection/Write-off
 - We observed that the District does not have written policies and procedures over debt collection/account write-offs.

46. St. Tammany Parish Sheriff:

- Non-Payroll Disbursements – No exceptions noted.
- Credit Cards/Debit Cards/Fuel Cards/P-Cards
 - Policies and procedures did not define authorized credit card users or procedures for lost credit cards.
 - Management did not document its review in writing of all credit card statements.
- Evidence Room Controls – No exceptions noted.
- Inmate Belongings – No exceptions noted.
- Court Fine/Fee Distributions
 - Although the Sheriff does not provide detailed disbursement documentation to recipient agencies as a matter of routine, such information is available and can be provided to recipient agencies.
- Controls Over Confidential Funds
 - Employees did not always follow existing policies and procedures.

47. St. Tammany Parish Waterworks District No. 2:

- Board Oversight (follow-up) – No exceptions noted.
- Payroll and Personnel (follow-up) – No exceptions noted.
- Public Bid Law – No exceptions noted.
- Debt Service – No exceptions noted.
- Sexual Harassment
 - The District's written sexual harassment policies and procedures did not address annual employee training and annual reporting requirements. Also, the policies and procedures did not include a general description of the investigation process (including requiring both the victim and accused to participate), a general description of possible disciplinary actions (including those for false accusers), or a statement apprising public servants on applicable federal and state laws, including the right to pursue a claim, all requirements of R.S. 42:342.

48. Town of Abita Springs:

- Written Policies and Procedures (follow-up)
 - The Town's written policies and procedures did not address all business and financial functions **(Repeat)**.
- Board Oversight (follow-up)
 - The minutes indicated that budget-to-actual comparisons were presented at only seven of the 12 monthly meetings **(Repeat)**.
- Bank Reconciliations (follow-up)
 - Bank reconciliations did not include the signature/initial and date of the preparer and independent reviewer **(Repeat)**.
 - Management did not have documentation reflecting that it had researched reconciling items that had been outstanding for more than 12 months from the statement closing date **(Repeat)**.
- Collections (follow-up)
 - Two of four deposits tested were not made within one business day of receipt at the collection location; however, they were reconciled to collections and the general ledger **(Repeat)**.
 - Management did not maintain documentation to demonstrate that utility account adjustments were performed and/or reviewed by someone independent of the collection and deposit process.
- Non-Payroll Disbursements (follow-up)
 - Certain job duties were not properly segregated between the office employees at town hall **(Repeat)**.
 - Although all five disbursements matched the related invoice/billing statement, supporting documentation for one disbursement did not include evidence of segregation of duties or approval **(Repeat)**.
- Credit Cards (follow-up)
 - One monthly statement and supporting documentation for one transaction were not approved in writing by someone other than the card user **(Repeat)**.
 - We noted that while all eight transactions reviewed had an itemized receipt identifying what was purchased, seven of these transactions did not include a documented business purpose and one transaction did not identify the individuals participating in a meal.
- Ethics (follow-up) – No exceptions noted.
- Sexual Harassment – No exceptions noted.

49. Town of Madisonville:

- Written Policies & Procedures (follow-up) – No exceptions noted.
- Board Oversight (follow-up) – No exceptions noted.
- Bank Reconciliations (follow-up) – No exceptions noted.
- Collections (follow-up) – No exceptions noted.
- Non-payroll disbursements (follow-up) – No exceptions noted.
- Credit Cards (follow-up) – No exceptions noted.
- Travel and Expense Reimbursement (follow-up) – No exceptions noted.
- Contracts (follow-up)
 - The Town’s written policies and procedures did not require written contracts for all business/service agreements **(Repeat)**.
- Payroll (follow-up) – No exceptions noted.
- Ethics (follow-up) – No exceptions noted.
- Traffic Tickets (follow-up) – No exceptions noted.
- Safeguarding Assets (Capital Assets) (follow-up) – No exceptions noted.
- Municipal Classification (follow-up) – No exceptions noted.
- Town Charter (follow-up) – No exceptions noted.

50. Twenty-Second Judicial District Court Judicial Expense Fund:

- Travel and Expense Reimbursement (follow-up)
 - Two of the five reimbursements tested were expensed at the 2018 mileage rate instead of the new 2019 mileage rate.
- Ethics (follow-up) – No exceptions noted.
- Sexual Harassment
 - The Court’s written sexual harassment policies and procedures did not address the annual reporting requirements.
- Completeness of Collections – No exceptions noted.

51. Twenty-Second Judicial District Public Defender:

- Collections (follow-up)
 - All deposits tested were not made within one day of receipt **(Repeat)**.
- Deferred Compensation Match (follow-up) – No exceptions noted.
- Travel and Expense Reimbursement – No exceptions noted.

52. Village of Folsom:

- Written Policies and Procedures (follow-up)
 - The Village's written policies and procedures do not address how vendors are added to the vendor list or how overtime work is to be approved **(Repeat)**.
- Bank Reconciliations (follow-up) – No exceptions noted.
- Collections (follow-up) – No exceptions noted.
- Non-payroll Disbursements (follow-up)
 - We noted that purchases of less than \$100 did not require written supervisory approval **(Repeat)**.
 - Job duties were not properly segregated between the three office employees at town hall **(Repeat)**.
- Credit Cards/Debit Cards/Fuel Cards (follow-up)
 - Management did not document its review of the monthly account statement and supporting documentation **(Repeat)**.
 - Selected transactions did not include a documented business purpose, although they were consistent with Village operations **(Repeat)**.
- Travel and Expenses Reimbursement (follow-up) – No exceptions noted.
- Contracts (follow-up) – No exceptions noted.
- Payroll and Personnel (follow-up) – No exceptions noted.
- Ethics (follow-up) – No exceptions noted.

53. Village of Sun:

- Board Oversight (Financial Management follow-up)
 - The Village did not prepare budget-to-actual comparisons for all major funds and provide to aldermen at each monthly board meeting **(Repeat)**.
- Collections (follow-up)
 - The Village did not segregate incompatible billing and collection job duties between the clerk and office staff, such that one employee cannot collect, deposit, update accounting records, or reconcile accounts without verification by another employee **(Repeat)**.
 - The Village did not establish a formal deposit schedule for guidance if daily deposits are not practical or cost efficient **(Repeat)**.
 - The Village did not perform a daily reconciliation of customer receipts, collection report posting, and bank deposits, or require the mayor to approve the reconciliation, in writing **(Repeat)**.

- The Village did not require the mayor to approve, in writing, any adjustments made to customer utility bills or to review a monthly system-generated billing adjustment report **(Repeat)**.
- Bank Reconciliations (follow-up)
 - The Village did not research outstanding checks and deposits on monthly bank reconciliations to determine if such items meet the requirements of Louisiana Revised Statute 9:151 *et seq* **(Repeat)**.
- Written Policies and Procedures (follow-up)
 - The Town did not have written policies and procedures to adequately address business and financial functions related budgeting, utility billing adjustments, collections, and reconciliations **(Repeat)**.

APPENDIX B: SUMMARIZED RESULTS OF AGREED-UPON PROCEDURES – PRIOR-YEAR LATE REPORTS

The information for five entities - St. Tammany Parish Sewerage District No. 4, Housing Authority of Slidell, Housing Authority of the City of Covington, St. Tammany Parish Tourist and Convention Commission, and Northlake Homeless Coalition - were not included in the prior-year Act 774 report because the reports for these entities had not been issued. The results of procedures for these five entities, for the fourth year implementation, are as follows:

1. St. Tammany Parish Sewerage District No. 4:

- Written Policies and Procedures (follow-up)
 - The District's policies over contracting did not include the types of services requiring written contracts or legal review **(Repeat)**.
 - The District's policies over ethics did not include the prohibitions as defined in LRS 42:1111-1121 or a system to monitor possible ethics violations **(Repeat)**.
- Board Oversight
 - A reconciliation of billing receipts to the joint bank account, a reconciliation of customer billings to deposits, and/or customer account adjustments were not presented to the Board for at least one meeting during the fiscal period **(Repeat)**.
- Open Meeting Law Compliance
 - Meeting minutes did not include the place of the meeting **(Repeat)**.

2. St. Tammany Tourist and Convention Commission:

- Deferred Compensation Plan Employer Match (follow-up) – No exceptions noted.
- Written Policies and Procedures
 - Purchasing policies and procedures did not address how purchases are initiated; how vendors are added to the vendor list; the preparation and approval process of purchase requisitions and purchase orders; documentation required to be maintained for all bids and price quotes.
 - Payroll/Personnel policies and procedures did not address payroll processing
 - Receipts/Collections policies and procedures did not address including preparing deposits.

- Bank Reconciliation policies and procedures did not address the review of all bank reconciliations by someone independent of cash receipt and disbursement functions, and process for addressing items outstanding for more than 12 months from the statement closing date, if applicable.
- Credit Cards/Debit Cards/Fuel Cards/P-Cards – No exceptions noted.

3. Housing Authority of Slidell:

- Board Oversight (follow-up)
 - The board of Commissioners only met with a quorum for a total of seven times **(Repeat)**.
- Credit Cards (follow-up) –No exceptions noted.
- Bank Reconciliations
 - No written policies as it relates to its bank account reconciliation process.
 - No documented written evidence to support the timely reconciliation and review within two months of the related statement(s) closing date(s).
 - No documented written evidence to support review of each bank reconciliation beyond the level of the preparer.
- Collections – No exceptions noted.
- Payroll and Personnel – No exceptions noted.

4. Housing Authority of the City of Covington:

- Non-Payroll Disbursements (follow-up) – No exceptions noted.
- Credit Cards/Debit Cards/Fuel Cards/P-Cards (follow-up) –No exceptions noted.
- Payroll and Personnel (follow-up)
 - Attendance records for the executive director are not maintained.
- Bank Reconciliations
 - Bank reconciliations did not include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged).
 - Bank reconciliations do not include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged).
- Ethics
 - The policies and procedures manual does not include the requirement that all employees and board members, annually attest through signature verification that they have read the entity's ethics policy.

- The Authority did not provide documentation that each employee/board member completed one hour of ethics training during the fiscal period.
- The Authority did not provide documentation that each employee/board member attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

5. Northlake Homeless Coalition:

- Failure to Comply with Audit Law
 - At the date of the procedural report issuance, Northlake Homeless Coalition had not completed its required financial reports for 2016, 2017, or 2018.
- Project Scoring and Ranking Process
 - NHC may not be in compliance with 24 CFR 578.95 relating to conflicts of interest based on NHC's policy of allowing representatives of funded agencies to serve on the board of directors, which plays a role in the establishment of performance targets, eligibility, and prioritization criteria beyond minimum HUD regulatory requirements for recipients/sub-recipients of HUD-funded programs.
- HUD Office of Inspector General Report
 - The HUD Office of Inspector General issued a report dated July 11, 2019, evaluating whether NHC administered its Continuum of Care in accordance with HUD and NHC program requirements. The report noted that NHC did not always monitor its program partners, maintain adequate supporting documentation for disbursements, and follow procurement requirements. In addition, NHC did not always ensure that its board members executed code-of-conduct and conflict-of interest forms, met monthly, maintained written documentation of board meetings, and updated its charters annually. The report concluded that NHC paid more than \$120,000 in questioned costs.