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April 4, 2000

Board of Commissioners
Fire Protection District No. 3
of Lafourche Parish
P. O. Drawer 910
17462 West Main
Galliano, LA 70354

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 05 2000

LETTER REPORT

We attempted to audit the accounts, records, and transactions of Fire Protection District No. 3 of Lafourche Parish, a component unit of the Lafourche Parish Council, as of June 30, 1999, and for the year then ended. It is the responsibility of management of the board to maintain adequate accounting records, an adequate internal control structure, and to prepare financial statements in accordance with generally accepted accounting principles. Our responsibility is to express an opinion on the board's financial statements based on an audit of those statements.

Our audit was to have been conducted in accordance with generally accepted auditing standards and standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the United States Comptroller General. However, because of a failure by the board to maintain adequate accounting records, we were not able to apply the foregoing standards and audit the accounts, records, and transactions of Fire Protection District No. 3 of Lafourche Parish.

Our efforts were limited to a preliminary review of the board's records, or lack thereof, and procedures to determine whether such records were in a condition for audit. We conducted an interview with the district's bookkeeper and acting administrator. Based upon the preliminary review, we present the following findings. Had the board's records permitted an audit in accordance with the foregoing standards, there might have been other matters that we would have brought to your attention.

The board was created by the Police Jury of the parish of Lafourche on May 13, 1953 to provide fire protection for the citizens of the district. The board is composed of five members who are residents of the district.

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Our findings are as follows:

1) Finding

The board did not have adequate accounting records. The general ledger and balance sheet were out of balance (debits did not equal credits) due to problems with the district's software.

During 1998 the district changed from the software it had been using because of its concerns that the software was not yet Y2K ready as had been promised.

The district used the new software for the fiscal year being audited. The software could not produce a balanced general ledger nor could it produce a balance sheet that balanced. The program was either posting unbalanced entries or one-sided entries. The district could not get assistance in correcting these program problems because the company that wrote and sold the program is out of business.

Due to these software problems and the resulting accounting records an audit can not be performed as of the date of this report.

Recommendations

It is recommended that a new program be purchased as soon as possible to allow the district to produce adequate and accurate financial records and reports. The district should choose a program that fits its needs and also that is widely used and supported by numerous users and vendors/consultants. The district should seek professional assistance in choosing, implementing, and testing the new software after its installation. An accounting professional should evaluate that the program once installed is producing accurate and adequate accounting records and reports.

Management's Response

The district is currently posting all of the transactions of the fiscal year in question so that an audit can be completed on its books. It is carefully monitoring the process with the help of professional assistance, to ensure that the records it is producing are accurate and are able to be audited. As soon as this process is complete the district will begin a search for a new software package that is widely used and supported and capable of producing the types of reports and records that fit the district's needs. The district will seek professional advice, as warranted, throughout the process of choosing, installing, and testing the new software package.

The district would like to emphasize that it takes its obligation to produce and maintain accurate financial records and reports very seriously and will do everything in its power to expedite the process and have our books ready to be audited.

2) Finding

The district's audit report was not submitted to the Legislative Auditor within six months of the close of its fiscal year as required by state law.

Recommendation

No recommendation considered necessary because the only reason the six month deadline was not met is due to software problems it encountered.

Management's Report

The district has previously been in compliance with state law and if it were not for the computer problems it would have timely submitted its audit report for the June 30, 1999 fiscal year. The district will return to its practice of submitting its reports timely for subsequent audits.

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3) Prior Year Findings

None

Respectfully submitted,



Aldon G. Wahl, Jr.
Certified Public Accountant