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Bruno

CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES**

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Board of Commissioners
Housing Authority of the City of Slidell
Slidell, Louisiana

College Date **MAR 19 1997**

We have performed the procedures enumerated below, which were agreed to by the Housing Authority of the City of Slidell (HAS) solely to assist management in determining the extent and degree of alleged defalcation by a former employee of HAS. The procedures performed covered the period from February 1, 1996 through September 30, 1996.

The agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of management of HAS. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and findings are as follows:

- o Obtained information on installment accounts for VISA, MasterCard, American Club, Office Depot and Faxman maintained by HAS and reviewed for propriety in authorization of expenditures.
- o The amount of questioned costs identified in the respective Exhibits, is the result of our inability to ascertain through review, or lack of supporting documents, and/or management's authorization of the propriety of expenditures incurred. In addition, we reviewed for documentation to support the allowability of the costs incurred in relation to the authorized and allowability of expenditures, as dictated by compliance with applicable laws, contracts, and regulations affecting HAS.

**INDEPENDENT ACCOUNTANTS' REPORT ON
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Requested information from H&B for the previously referenced installment accounts covering the period from February 1, 1996 through September 30, 1996, and noted the following:

- H&B's VISA (account #4666927013621416) statements for the period from February 1, 1996 through July 31, 1996 (last statement available) reflected the activities, as described in EXHIBIT I resulting in questioned cost of \$3,948.11. We noted through discussion with management that the VISA account was closed in late July 1996 by the previous Executive Director, Mr. Wayne Thibodeaux.
- A review of H&B's Sam's Wholesale Club (account #0482258361441) statements covering the period from March 1, 1996 through July 31, 1996 (the earliest and last statements available) revealed the activities as described in EXHIBIT II resulting in questioned costs of \$1,973.85. Based on discussion with management, it is our understanding that this account was closed in late July 1996 by Mr. Wayne Thibodeaux.
- The Office Depot account maintained by H&B based on our review of the period from March 1, 1996 through July 31, 1996 (the earliest and last statements available) revealed no items resulting in questioned costs. Management indicated to us that this account was closed in late July 1996 by Mr. Wayne Thibodeaux.
- We were unable to ascertain the validity of purchases made by Mr. Steven Martin under the Fuelman card maintained by H&B based on documents provided to us. Our discussion with Mr. Wayne Thibodeaux revealed that the purchases were not authorized by him. Amount of questioned costs is \$431.99. Also, based on our discussion with management, we noted that the Fuelman account was closed in late July 1996, by Mr. Wayne Thibodeaux.

**INDEPENDENT ACCOUNTANTS' REPORT ON
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- c It is our understanding based on discussion with the Mr. Wayne Thibodeaux and subsequent review, that the previously discussed purchases were primarily executed by Steven Martin a former employee of H&B, except for a purchase that bears the name of a current employee. This purchase using the Visa card was for bedding in the amount of \$119.58. We were unable to determine the proper authorization and/or allowability of the above expenditure. (see EXHIBIT 1 of the schedule of charges and questioned costs).
- e We reviewed selected cancelled or duplicate checks and invoices covering the period from February 1, 1996 through September 10, 1996 for propriety in authorized expenditures. As a result of our review, we noted the activities discussed and/or conditions noted in the following paragraphs.
 - H&B could not locate the cancelled or duplicate checks issued during the months of February and March 1996. In lieu of the bank statements and cancelled checks, we reviewed the monthly financial statements available for the month of February. H&B could not locate the financial statements for January 1996. It is management's assertion, that the cost of securing copies of the statements and cancelled checks from the bank outweighs the benefit.
 - We noted no supporting documentation and/or authorization for the following disbursements.

DATE	PAID TO	AMOUNT	QUESTIONED COSTS
04/15/96	Petty Cash	\$ 50.00	\$ 50.00
04/01/96	Petty Cash	50.00	50.00
04/01/96	Steven Martin	21.00	21.00
03/01/96	Steven Martin	72.60	72.60
04/15/96	Hibernia National Bank	275.00	275.00
04/15/96	Petty Cash	50.00	50.00
04/15/96	Steven Martin	15.00	15.00
07/15/96	Steven Martin	<u>402.00</u>	<u>402.00</u>
		<u>931.60</u>	<u>933.60</u>

**INDEPENDENT ACCOUNTANTS' REPORT ON
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All of the checks payable to petty cash referenced above, appear to have been negotiated by Mr. Steven Martin.

OTHER MATTERS

* * * * *

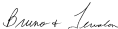
- The July 31, 1986 bank statement for HAS, reflected the execution of a counter check in the amount of \$18,000 under the signature of Mr. Wayne Thibodeaux. Based on our review it appears that the \$18,000 was negotiated to transfer funds from the Section 8 Voucher program account to the Certificate program account. We were unable to ascertain the proper authorization for the transaction, as well as the use of a counter check to execute the transaction.

In addition, a check in the amount of \$5,000 payable to Capital One (a credit card and home equity company) dated May 15, 1986 was executed by HAS under the facsimile signatures of Mr. Wayne Thibodeaux and former Chairperson of the Board, Ms. Greta Strange. Based on discussion with management of HAS and Capital One, we are unable to ascertain the basis for the payment. Our efforts to obtain specific information to support the disbursement through discussion with staff at Capital One proved to be fruitless. Based on that, the entire amount of \$5,000 represents questioned cost.

We were not engaged to, and did not, perform an examination, the objectives of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

**INDEPENDENT ACCOUNTANTS' REPORT ON
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This report is intended solely for the use of the Boarding Authority of the City of Middletown and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.



**BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS**

December 23, 1996

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SCHEDULE OF CHARGES AND QUESTIONED COSTS

VISA ACCOUNT

MONTH	DESCRIPTION/VENUE	TOTAL CHARGES	QUESTIONED COSTS
03/98	K-Mart purchases	\$ 80.48	\$ 80.48
	Wal-Mart purchases	162.42	162.42
	Circuit City	30.40	30.40
	Harvey's	118.88	118.88
	Wal-Mart	32.34	32.34
04/98	K&M Drug Stores	51.43	51.43
	Auto Zone	52.19	52.19
	Auto Zone	(26.30)	(26.19)
	Camelot Music	3.80	3.80
	Wal-Mart	21.70	21.70
	Benson Madax	1,500.00	1,500.00
	J.O. Perrey, Co.	39.92	39.92
	Coco's of Slidell	11.30	11.30
05/98	Benson Madax	1,500.00	1,500.00
	B. J. Pasa Shop	222.94	222.94
	AT&T	3.80	3.80
	The Men's Warehouse	59.79	59.79
	Wal-Mart	28.30	28.30
06/98	Home Depot	67.11	67.11
	Home Depot	2.60	2.60
	Total	\$1,968.11	\$1,968.11

HOUSING AUTHORITY OF THE CITY OF SLIDELL
SCHEDULE OF CHARGES AND QUESTIONED COSTS

SAM'S WHOLESALE ACCOUNT

MONTH	DESCRIPTION	TOTAL CHARGES	QUESTIONED COSTS
02/86	Statement not available*	\$ 274.78	\$ 274.78
	- Perfect sleeper king	499.88	499.88
04/86	- noted purchases for liquor and paper products	___37.11	___37.11
	Sub-total	___811.76	___811.76

* Based upon our review of the March 1986 statement, we noted that a previous payment in the amount of \$274.78 was made by H&S. Because of the lack of documentation, we are unable to ascertain the propriety of the expenditure.

**HOUSING AUTHORITY OF THE CITY OF SLIDELL
SCHEDULE OF CHARGES AND QUESTIONED COSTS**

EMC'S WHOLESALE ACCOUNT, CONTINUED

MONTH	DESCRIPTION	TOTAL CHARGES	QUESTIONED COSTS
03/96	- Various items	\$ 14.12	\$ 14.12
04/96	Food and paper product items	58.79	58.79
07/96	Food/paper products/ alcohol/hardware items	165.81*	138.96
08/96	Food items	18.22	18.22
	Total	1,100.80	1,073.80

* Former Executive Director of HAS identified \$26.85 of this amount as attributable to HAS.

A recap of the total questioned costs is as follows:

Description	Questioned costs
Various (page 3)	\$ 933.60
VISA (page 5)	1,668.11
Prolean (page 2)	435.95
SM's (page 7)	1,073.80
Other (page 4)	1,000.80
	6,114.11