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Release Date JAN 17 1962

**VERNON R  
COON**  
LEGISLATIVE PUBLIC ACCOUNTANT

**PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana**

**General Purpose Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended  
December 31, 1997  
With Supplemental Information Schedule**

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PRISON DISTRICT NO. 1 OF THE SIXTH  
 JUDICIAL DISTRICT OF LOUISIANA  
 Lake Providence, Louisiana

General Purpose Financial Statements  
 With Independent Auditor's Report  
 As of and for the Year Ended  
 December 31, 1997  
 With Supplemental Information Schedule

**C O N T E N T S**

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PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana  
Comma, December 31, 1997

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**Independent Auditor's Report**

**BOARD OF GOVERNORS  
PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana**

**VERNON COON  
CERTIFIED PUBLIC ACCOUNTANT  
PUBLIC ACCOUNTANTS**

**OFFICE OF LOUISIANA  
SERVED PUBLIC  
ACCOUNTANTS**

**PEOPLE'S CHOICE FOR  
GOVERNMENTAL  
ACCOUNTING, AUDITING  
AND FINANCIAL REPORTING**

I have audited the general purpose financial statements of Prison District No. 1 of the Sixth Judicial District of Louisiana, a component unit of the East Carroll Parish Police Jury, as of December 31, 1997, and for the year then ended, as listed in the table of contents. These financial statements are the responsibility of Prison District No. 1 of the Sixth Judicial District of Louisiana's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and *Governance Auditing Standards*, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As discussed in Note 1 the prison district did not adopt a budget for the Commissary Special Revenue Fund for the year ended December 31, 1997, therefore, the accompanying Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual contains data for the General Fund only.

In my opinion, except that the omission of the Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual for the Commissary Special Revenue Fund results in incomplete presentation, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Prison District No. 1 of the Sixth Judicial District of Louisiana as of December 31, 1997, and the results of operations for the year then ended in conformity with generally accepted accounting principles.

**1140 PROFESSIONAL OFFICE  
WYATT MANOR,  
LOUISIANA TRIST  
PHONE 225-638-2271  
TOLL FREE 1-800-644-  
1-800-644-2271  
FAX 225-638-2271**

BOARD OF GOVERNORS  
PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA

Lake Providence, Louisiana

Independent Auditor's Report,

December 31, 1997

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of Prison District No. 1 of the Sixth Judicial District of Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, I have also issued a report dated June 1, 1998 on my consideration of Prison District No. 1 of the Sixth Judicial District of Louisiana's internal control structure and a report dated June 1, 1998 on its compliance with laws, regulations, and contracts.



West Monroe, Louisiana

June 1, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(OVERVIEW)**

PRISON DISTRICT NO. 1 OF THE SIXTH  
 JUDICIAL DISTRICT OF LOUISIANA  
 Lake Providence, Louisiana  
 ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1997

	GOVERNMENTAL FUND TYPE		FIDUCIARY FUND TYPE - BONATE TRUST ACCOUNT AGENCY FUND	GENERAL FUND ASSETS ACCOUNT GROUP	TOTAL (MEMORANDUM ONLY)
	GENERAL FUND	COMBINARY SPECIAL REVENUE FUND			
<b>ASSETS</b>					
Cash and cash equivalents	\$415,041	\$17,218	\$2,816		\$435,075
Investments	166,819				166,819
Receivables:					
Accounts	146,032				146,032
Other	1,204				1,204
Land, buildings, and equipment				\$93,319	\$93,319
<b>TOTAL ASSETS</b>	<b>\$729,096</b>	<b>\$17,218</b>	<b>\$2,816</b>	<b>\$93,319</b>	<b>\$1,582,438</b>
<b>LIABILITIES AND FUND EQUITY</b>					
<b>Liabilities:</b>					
Accounts payable	\$38,181				\$38,181
Salaries and wages payable	4,502				4,502
Due to others			\$2,816		2,816
<b>Total Liabilities</b>	<b>42,683</b>	<b>NONE</b>	<b>2,816</b>	<b>NONE</b>	<b>45,500</b>
<b>Fund Equity:</b>					
Investment in general fund assets				\$93,319	\$93,319
Fund balances -					
unreserved - undesignated	\$28,805	\$17,218			\$46,023
<b>Total Fund Equity</b>	<b>\$28,805</b>	<b>\$17,218</b>	<b>NONE</b>	<b>\$93,319</b>	<b>1,540,848</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$729,096</b>	<b>\$17,218</b>	<b>\$2,816</b>	<b>\$93,319</b>	<b>\$1,582,438</b>

The accompanying notes are an integral part of this statement.



PRISON DISTRICT NO. 1 OF THE SIXTH  
 JUDICIAL DISTRICT OF LOUISIANA  
 Lake Providence, Louisiana  
 GOVERNMENTAL FUND TYPE -  
 GENERAL FUND

Combined Statement of Revenues, Expenditures,  
 and Changes in Fund Balances  
 For the Year Ended December 31, 1997

	GOVERNMENTAL FUND TYPE...		TOTAL GAIN/LOSS (10.1)
	GENERAL FUND	SPECIAL REVENUE FUND	
<b>REVENUES</b>			
Fees, charges, and commissions for services	\$1,577,704	\$133,489	\$1,711,203
Use of money and property	21,759		21,759
Other revenues	3,458		3,458
Total revenues	<u>1,602,921</u>	<u>133,489</u>	<u>1,736,410</u>
<b>EXPENDITURES</b>			
Current - public safety:			
Personnel services and related benefits	622,011	93,873	715,884
Operating services	479,079	187,797	666,876
Material and supplies	76,212		76,212
Travel and other	8,827		8,827
Capital outlay	18,999		18,999
Intergovernmental	193,000		193,000
Total expenditures	<u>1,398,128</u>	<u>121,670</u>	<u>1,519,798</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	2,041	2,799	4,840
<b>OTHER FINANCING SOURCE</b>			
Sale of assets	1,000		1,000
<b>EXCESS OF REVENUES AND OTHER SOURCE OVER EXPENDITURES</b>	3,041	2,799	5,840
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>619,387</u>	<u>11,419</u>	<u>630,806</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>622,428</u>	<u>14,218</u>	<u>636,646</u>

The accompanying notes are an integral part of this statement.

**PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana  
GOVERNMENTAL FUND TYPE -  
GENERAL FUND**

Statement of Revenues, Expenditures, and  
Changes in Fund Balance - Budget  
(Cash Basis) and Actual  
For the Year Ended December 31, 1997

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<b>REVENUES</b>			
Fees, charges, and commissions for services	\$1,572,800	\$1,582,658	(\$9,742)
Use of money and property	27,200	21,758	(5,741)
Other revenues	500	1,700	(2,201)
<b>Total revenues</b>	<u>1,600,500</u>	<u>1,605,116</u>	<u>(4,616)</u>
<b>EXPENDITURES</b>			
Current - public safety:			
Personnel services and related benefits	821,600	825,845	(4,245)
Operating services	478,480	484,781	(6,301)
Material and supplies	53,000	78,650	(25,650)
Travel and other	7,000	6,911	428
Capital outlay	16,000	23,845	(7,845)
Intergovernmental	360,000	399,800	(39,800)
<b>Total expenditures</b>	<u>1,735,080</u>	<u>1,819,732</u>	<u>(84,652)</u>
<b>EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES</b>	<b>65,000</b>	<b>(38,994)</b>	<b>(103,140)</b>
<b>OTHER FINANCING SOURCE</b>			
Sale of assets	1,000	1,000	
<b>EXCESS (Deficiency) OF REVENUES AND OTHER SOURCE OVER EXPENDITURES</b>	<b>65,000</b>	<b>(37,994)</b>	<b>(102,140)</b>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>311,796</u>	<u>338,931</u>	<u>47,135</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$276,896</u>	<u>\$211,000</u>	<u>(\$124,896)</u>

The accompanying notes are an integral part of this statement.

**PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA**  
Lake Providence, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 1997

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Prison District No. 1 of the Sixth Judicial District of Louisiana was created by the East Carroll Parish Police Jury, as authorized by Louisiana Revised Statute 15:801 et. seq., on February 12, 1990, by ordinance number 1296. The district is governed by a three member board appointed by the East Carroll Parish Police Jury. Board members receive compensation as provided for by law. The district is responsible for maintaining and operating a prison facility within the limits of East Carroll Parish. The prison houses both state and parish prisoners.

**A. REPORTING ENTITY**

As the governing authority of the parish, for reporting purposes, the East Carroll Parish Police Jury is the financial reporting entity for East Carroll Parish. The financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria determining which component units should be considered part of the East Carroll Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial responsibility. The GASB has set forth criteria to be considered in determining financial responsibility. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. The ability of the police jury to impose its will on the organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the police jury.

PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana  
Notes to the Financial Statements (Continued)

2. Organizations for which the police jury does not appoint a voting majority but are financially dependent on the police jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the police jury created the district, and appoints the board of governors of the district, and has the ability to impose its will on the district, the district was determined to be a component unit of the East Carroll Parish Police Jury, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the district and do not present information on the police jury, the general government services provided by that governmental unit, or the other governmental units that comprise the East Carroll Parish financial reporting entity.

## B. FUND ACCOUNTING

The district uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term obligations) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types." Governmental funds are used to account for a government's general activities, when the focus of attention is on the providing of services to the public as opposed to proprietary funds when the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The prison district's current operations require the use of governmental and fiduciary funds. The fund types used by the prison district are described as follows:

**PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana  
Notes to the Financial Statements (Continued)**

**Governmental Funds:**

**General Fund**

The General Fund is the general operating fund of the prison district. It accounts for all activities except those required to be accounted for in other funds.

**Commissary Special Revenue Fund**

The Commissary Special Revenue Fund is used to account for the sales of concessions and personal hygiene items to the inmates of the prison. Funds derived from this fund are used solely for the benefit of the inmates.

**Fiduciary Fund - Inmate Trust Account Agency Fund**

The Inmate Trust Account Agency Fund is used to account for monies held for the inmates during their term of incarceration. It is custodial in nature (i.e., assets equal liabilities) and does not involve measurement of operations.

**C. FIXED ASSETS AND LONG-TERM DEBT**

General fixed assets are not capitalized in the fund used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in the governmental fund and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at historical cost. No depreciation has been provided on general fixed assets. Approximately 5 per cent of general fixed assets are valued at actual historical cost while the remaining 95 per cent are valued at estimated cost, based on the actual historical cost of like items. The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized. The prison district has no long-term debt at December 31, 1997.

PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana  
Notes to the Financial Statements (Continued)

**D. BASIS OF ACCOUNTING**

The financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The district uses the following practices in recognizing and reporting revenues and expenditures:

**Revenues**

Revenues for prisoner care and other fees, charges, and commissions for services are recorded when the district is entitled to the funds.

Interest income on demand and time deposits are recorded when the interest has been earned and the amount is determinable.

Based on the above criteria, fees, charges, and commissions for services have been treated as susceptible to accrual.

**Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana  
Notes to the Financial Statements (Continued)

**B. BUDGET PRACTICES**

A preliminary budget for the ensuing year is prepared by the district's secretary prior to December 31 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The proposed budget is prepared on the cash basis of accounting. The budget is established and controlled by the board of governors at the object level of expenditure. Encumbrance accounting is not used by the district. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of governors.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments.

For the year ended December 31, 1993, a cash basis budget was adopted for the prison district's General Fund. No budget was adopted for the Commissary Special Revenue Fund.

The budget comparison statement included in the accompanying financial statements includes the original adopted budget. There were no budget amendments during the year. The following reconciles the excess of revenues and other sources over expenditures and other uses as shown on budgetary comparison Statement C (budget basis) to the same amounts shown on Statement B (GAAP basis):

Excess (deficiency) of revenues over expenditures (budget basis)	(837,091)
Adjustments:	
Receivables	16,250
Payables	<u>27,217</u>
Excess of revenues over expenditures (GAAP) basis	<u>36,916</u>

PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana  
Notes to the Financial Statements (Continued)

F. CASH AND CASH EQUIVALENTS

Under state law, the district may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The district may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1997, the district has cash (book balances) totaling \$439,075 as follows:

Demand deposits	\$211,050
Petty cash	600
Time deposits	<u>227,425</u>
Total	<u>\$439,075</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash and cash equivalents (bank balances) at December 31, 1997, are secured as follows:

Bank balances	<u>\$439,075</u>
Federal deposit insurance	\$417,879
Pledged securities (noncollateralized)	<u>1,453,399</u>
Total	<u>\$1,890,353</u>

Because the pledged securities are held by a custodial bank in the name of the fiscal agent bank rather than in the name of the prison district, they are considered uncollateralized (Category 3) under the provisions of OASB Codification C20.106; however, Louisiana Revised Statute 29:1228 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the prison district that the fiscal agent bank has failed to pay deposited funds upon demand.



PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana  
Notes to the Financial Statements (Continued)

**G. INVESTMENTS**

Under state law, the prison district may invest funds in obligations of the United States, in federally insured investments, or in time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool, Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. At December 31, 1997, the prison district had investments in LAMP totaling \$108,818, which is stated at cost and approximately market.

In accordance with GASH Codification ISO.165 the investment in LAMP at December 31, 1997, is not categorized in the three risk categories provided by GASH Codification ISO.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 360 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

**G. VACATION AND SICK LEAVE**

All full-time employees of the prison district earn vacation leave at rates varying from one to three weeks per year, depending on whether they are salaried or hourly employees and on length of service. Vacation leave cannot be accumulated. In addition, all employees receive sick leave as needed at the discretion of the prison district board of governors.

**PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana  
Notes to the Financial Statements (Continued)**

At December 31, 1985, the prison district had no employee leave benefits requiring recognition in accordance with GASB Codification Section 650. The cost of leave privileges, computed in accordance with the previous codification, is recognized as a current-year expenditure within the various funds when leave is actually taken or when employees are paid for accrued vacation leave upon retirement.

**H. TOTAL COLUMN ON COMBINED  
STATEMENTS**

Total columns on the combined statements are captioned Memorandum Only (Overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**2. CHANGES IN GENERAL FIXED ASSETS**

The following presents the changes in general fixed assets for the year ended December 31, 1987:

	Balance at January 1, 1987		Additions	Deletions	Balance at December 31, 1987	
Land and improvements	\$120,590				\$120,590	
Buildings	587,000	\$2,496			589,496	
Furniture and equipment	150,507	16,489	(817,173)		152,833	
Total	<u>\$858,097</u>	<u>\$18,985</u>		<u>(\$817,173)</u>	<u>\$969,519</u>	

**3. PENSION PLAN**

Substantially all employees of the Prison District No. 1 of the Sixth Judicial District of Louisiana are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the prison district are members of Plan A.

PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana  
Notes to the Financial Statements (Continued)

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 15 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 per cent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one per cent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus 3 per cent of final-average salary for each salary for each year of service credited after the revision date. Final average salary is the employer's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The system also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Periodical Employees' Retirement System of Louisiana, Post Office Box 14679, Baton Rouge, Louisiana 70898-4679, or by calling (504) 938-1344.

Under Plan A, members are required by state statute to contribute 8.20 per cent of their annual covered salary and the Prison District No. 1 of the Sixth Judicial District of Louisiana is required to contribute at an actuarially determined rate. The current rate is 7.23 per cent of annual covered payroll. Contributions to the system also include one-fourth of one per cent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Prison District No. 1 of the Sixth Judicial District of Louisiana are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Prison District No. 1 of the Sixth Judicial District of Louisiana's contributions to the System under Plan A for the years ending December 31, 1997, 1996, and 1995 were \$39,783, \$42,351, and \$45,722 respectively, equal to the required contributions for each year.

PRISON DISTRICT NO. 1 OF THE SIXTH  
 JUDICIAL DISTRICT OF LOUISIANA  
 Lake Providence, Louisiana  
 Notes to the Financial Statements (Continued)

7. RESTATEMENT OF FUND BALANCES

The December 31, 1996 fund balances of the General Fund and the Commissary Special Revenue Fund have been restated to reflect the change in reporting the activities of the commissary in the General Fund to reporting the commissary as a special revenue fund. The following reconciles fund balances as previously reported to beginning fund balances as presented on Statement B:

	General Fund	Commissary Special Revenue Fund
Fund Balances as previously reported	<u>\$630,806</u>	<u>NONE</u>
Commissary Fund	<u>(111,419)</u>	<u>\$11,419</u>
Fund balances at January 1, 1997, restated	<u>\$519,387</u>	<u>\$11,419</u>

8. CHANGES IN AGENCY FUND BALANCES

A summary of changes in Inmate Trust Account Agency Fund balance due to others follows:

Balance at January 1, 1996	\$2,315
Additions	132,900
Deductions	<u>(132,000)</u>
Balance at December 31, 1997	<u>\$2,815</u>

9. LITIGATION AND CLAIMS

At December 31, 1997, the prison district is not involved in any lawsuits. However, there is one unasserted claim involving alleged injuries sustained by an inmate. Because the prison district's legal counsel cannot make an estimate of possible liability, no provisions for possible loss have been made in the accompanying financial statements.

**SUPPLEMENTAL INFORMATION SCHEDULE**

PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULE  
For the Year Ended December 31, 1987

**COMPENSATION PAID BOARD MEMBERS**

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 34 of the 1979 Session of the Louisiana Legislature. The board of governors receive \$50 per meeting not to exceed twelve meetings per year as provided by Louisiana Revised Statute 15:825.

PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana

Schedule of Compensation Paid Board Members  
For the Year Ended December 31, 1987

Bobby L. Moore	5000
Brown F. Nelson	000
Earl K. Portenberry	500
Total	<u>\$1,000</u>

**Independent Auditor's Reports Required  
by Government Auditing Standards**

The following independent auditor's reports on compliance with laws, regulations and contracts and on the internal control structure are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.





**Independent Auditor's Report on Compliance  
With Laws, Regulations, and Contracts,**

**PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana**

**VERNON COON  
CERTIFIED PUBLIC ACCOUNTANT  
PUBLIC ACCOUNTANTS**

**BOULEVARD OF LOUISIANA  
NEW ORLEANS, LOUISIANA  
70112-1000**

**PRACTICE LIMITED TO  
GOVERNMENTAL  
ACCOUNTING, AUDITING  
AND FINANCIAL REPORTING**

I have audited the general purpose financial statements of the Prison District No. 1 of the Sixth Judicial District of Louisiana, as of December 31, 1997, and for the year then ended, and have issued my report thereon dated June 3, 1998.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. These standards, and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, and contracts applicable to the Prison District No. 1 of the Sixth Judicial District of Louisiana, is the responsibility of the prison district's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, I performed tests of the Prison District No. 1 of the Sixth Judicial District of Louisiana's compliance with certain provisions of laws, regulations, and contracts. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

Material instances of noncompliance are failures to follow requirements or violations of prohibitions, contained in laws, regulations, or contracts that cause me to conclude that the aggregation of these failures or violations is material to the primary government financial statements. The results of my tests of compliance disclosed material instances of noncompliance listed in the accompanying schedule of findings and questioned costs in finding numbers 97-1 through 97-4.

**THE PROFESSIONAL OFFICE  
OF THE COMPTROLLER  
OF PUBLIC ACCOUNTANTS  
STATE OF LOUISIANA  
1000 PINE STREET  
NEW ORLEANS, LOUISIANA  
70112-1000  
PHONE 504-389-2000**

PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana  
Independent Auditor's Report  
on Compliance, etc.,  
December 31, 1997

I considered these instances of noncompliance in forming my opinion on whether the Prison District No. 1 of the Sixth Judicial District of Louisiana's 1997 financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect my report dated June 1, 1998, on these general purpose financial statements.

This report is intended for the information of members of the Prison District No. 1 of the Sixth Judicial District of Louisiana, management of the prison district, and interested state and parish agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana  
June 1, 1998



**Independent Auditor's Report  
on the Internal Control Structure**

**PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana**

I have audited the general purpose financial statements of the Prison District No. 1 of the Sixth Judicial District of Louisiana, as of December 31, 1997, and for the year then ended, and have issued my report thereon dated June 1, 1998.

I conducted my audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and the Louisiana Governmental Audit Guide, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. These standards and the audit guide require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Prison District No. 1 of the Sixth Judicial District of Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure in future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of the Prison District No. 1 of the Sixth Judicial District of Louisiana for the year ended December 31, 1997, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they

**VERNON R. COON**  
MEMBER AMERICAN  
INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

**SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC  
ACCOUNTANTS**

**PROFESSIONAL OFFICE  
OF  
GOVERNMENTAL,  
REGULATORY, BUSINESS  
AND FINANCIAL ACCOUNTING**

**110 PROFESSIONAL BLDG.,  
SUITE 2000,  
LAFAYETTE 71201  
PHONE 225-282-0121  
FAX 225-282-0122  
1-800-241-2622  
FAX 878-388-1608**

PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana  
Independent Auditor's Report  
on Internal Control Structure,  
December 31, 1997

have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the prison district's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. These reportable conditions are listed in the accompanying schedule of findings and questioned costs as finding numbers 97-3 and 97-4.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not induce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses as defined above. However, I believe the reportable conditions described above to be material weaknesses.

PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana  
Independent Auditor's Report  
on Internal Control Structure,  
December 31, 1997

This report is intended for the information of members of the Prison District No. 1 of the Sixth Judicial District of Louisiana, management of the prison district, and interested state and parish agencies. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana  
June 1, 1998

PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana

Schedule of Findings and Questioned Cases  
For the Year Ended December 31, 1987

**FINDINGS - COMPLIANCE**

**FF-1 Need to Comply with Local Government Budget Act**

**Findings:** For the year ended December 31, 1987, the prison district did not adopt a budget for the Commissary Special Revenue Fund. In addition, the budget for the General Fund was not adequately monitored. Louisiana Revised Statute (LRS) 39:1304 requires the jury to adopt a budget for each special revenue fund. LRS 38:1309-1310 requires the jury to adopt a budget amendment when revenues and other sources to date plus projected revenue and other sources for the remainder of the year fail to meet budgeted revenues and other sources by five percent or more and/or when expenditures and other uses to date plus projected expenditures and other uses for the remainder of the year exceed budgeted expenditures and other uses by five percent or more. For the year ended December 31, 1987, the General Fund had actual expenditures that exceeded budgeted expenditures by \$89,293 or 5.8%.

**Recommendation:** In the future, the jury should adopt budgets for the Commissary Fund and amend each budget as required by the statutes.

**FF-2 Pledged Securities - Bank Deposits Should Be Fully Secured**

**Findings:** At December 31, 1987, deposits of the prison district with one financial institution were not adequately covered by federal deposit insurance or the pledge of bank owned securities. Louisiana Revised Statutes (LRS) 39:1225 requires that the prison district's bank deposits be fully secured at all times by either federal deposit insurance or pledged securities owned by the bank. At December 31, 1987, the prison district's deposits at the financial institution totaling \$127,225 were under secured by \$99,234.

**Recommendation:** I recommend that the prison district monitor its deposits and require that banks provide security equal to one hundred percent of the amount on deposit at all times less the amount of deposits covered by federal deposit insurance.

(Continued)

**PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA**  
Lake Providence, Louisiana  
Schedule of Findings and Questioned Costs  
December 31, 1997

**97-3 Need to Record Minutes of Board Meetings**

**Finding:** Louisiana Revised Statute (LRS) 42:7.1 requires all public bodies to keep written minutes of all their open meetings. Minutes of the prison district's board meetings could not be located for the last three monthly meetings of 1997.

**Recommendation:** In the future, the prison district should ensure that complete and accurate minutes of all its meetings are kept in accordance with state law. The minutes should be maintained in a minute book and should reflect the date and time of the meetings as well as the board members in attendance and those absent.

**97-4 Need to Comply With Public Bid Law**

**Finding:** Louisiana Revised Statute (LRS) 38:2212 requires that all purchases of materials and supplies exceeding \$15,000 and all public work exceeding \$100,000 be advertised and let by contract to the lowest responsible bidder. Although I was able to locate the advertisement for bids and the acceptance of bids for food items in the minutes, I was unable to locate all bids received in order to determine that the prison district accepted the lowest responsible bids.

**Recommendation:** The prison district should maintain accurate and orderly bid files on all items for which it receives bids. The files should contain copies of the advertisements, all original bids received, a bid tabulation record and a copy of the minutes of the meeting at which the bids were accepted. A notification of the award of the bids to the vendor should also be included in the files.

**FINDINGS - INTERNAL CONTROL**

**97-5 Need to Improve Controls Over Expenditures**

**Finding:** During my test of expenditures for the year ended December 31, 1997, I noted the following weaknesses in the district's internal controls over expenditures:

(Continued)

PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana  
Schedule of Findings and Questioned Costs  
December 31, 1997

1. 10 expenditures or 20.8 per cent of the valid sample items tested were not supported by invoices or other forms of documentation.
2. The invoices for 2 or 10.5 per cent of the items tested were not signed by the person receiving the goods purchased.
3. The amount of the checks for 4 or 9.3 per cent of those tested did not agree with the supporting documentation.

**Recommendation:** In the future, the prison district should ensure that all expenditures are supported by original invoices or other adequate forms of documentation. The documentation should be verified to prevent dual payment and should indicate the date paid, check number, account to be charged and it should be signed by responsible individual to indicate approval for payment. All invoices, where practicable, should be signed by the person receiving the goods or services. In addition, all supporting documentation should be reviewed to determine the accuracy of the documentation and disbursements should be agreed to the documentation.

#### 97-6 Need to Improve Controls Over Payroll Expenditures

**Finding:** During my test of payroll, I selected 10 employees for one bi-weekly payroll during 1997 to test the accuracy of the payroll record keeping to include time cards and payroll disbursement checks. I was unable to agree any of the hours worked per the time cards to the time recap sheet used to prepare the payroll. As a result, I expanded my test to include all employees for 3 pay periods. During this process, the prison secretary discovered another time recap sheet for the pay period mentioned above. I was able to agree all time cards to this recap sheet. However, the fact that there were two sheets indicates a weakness in the control over payroll records. In addition, the second sheet was not signed by the warden and the original sheet was signed with a rubber stamp and initialed by the former prison secretary. During my test, I also noted that none of the time cards were signed by the employees.

(Continued)



PRISON DISTRICT NO. 1 OF THE SIXTH  
JUDICIAL DISTRICT OF LOUISIANA  
Lake Providence, Louisiana  
Schedule of Findings and Questioned Costs  
December 31, 1997

I examined the check vouchers for all employees for the three periods tested and noted that 2 employees were paid for fewer hours than indicated on their time cards and 2 were paid 1 and 3 hours over their respective posted time. I was, however, able to locate additional payroll checks for the two employees under paid. In examining the check vouchers, I noted several strike over entries on the voucher copies. I was told that the checks were prepared on a typewriter and that when a mistake was made, the typewriter's correction feature was used to correct the mistake, which made the carbon voucher copies virtually impossible to read.

I traced the total of the W-2 forms for the prison district to the payroll accounts posted in the general ledger and noted that the general ledger exceeded the total of the W-2 forms by \$16,633. I then obtained all payroll checks for 3 employees and agreed the total to each one's W-2 form. This test indicated the W-2 forms for each of these employees exceeded the total of their payroll checks by \$1,341.86, \$86.64, and \$150.00 respectively.

I reviewed personnel files of 5 employees and noted that none contained a Louisiana L-4 form. Also 2 files did not indicate the employee's date of hire and 2 did not include the employee's rate of pay.

**Recommendation:** The prison district should establish policies and procedures to ensure adequate control over its payroll function. These policies should include requirements that all time cards be signed by the employee and approved by the warden or other supervisory personnel. Also the time cards and time recap sheets should be reviewed by the payroll personnel to ensure that the hours being paid are accurately reflected on the time cards and recap sheets. The prison district should also maintain individual earnings records for each employee to accumulate payroll information during the year and this record should be used in preparing the W-2 forms.

**QUESTIONED COSTS**

NONE

(Concluded)

# East Carroll Parish Police Jury

403 First Street  
Lake Providence, LA 71254

## MEMBERS

W.C. STAFFE, Dist. 1  
LUDWIG FURBERGHERY, Dist. 2  
DANIEL TRAVIS, Dist. 3  
GEORGEA ROBERTS, Dist. 4  
ANTHONY DELANEY, Dist. 5  
JAYMONS ANDREWS, Dist. 6  
CLIFTON SCOTT, Dist. 7  
GABRIEL GORDON, Dist. 8  
ROBERT L. MOORE, Dist. 9

## PRELUDE

W.L. PARR  
VIRGIL PRASADY  
LARRY DAVIS  
SECRETARY-TREASURER  
ANTHONY ANDREWS  
PRESIDENT, PRISON BOARD  
BILLY PARR  
TELEPHONE: 225-738-2228  
FAX: 225-738-2228  
E-mail: ecpj@eppj.com

## PRISON DISTRICT NO. 1 OF THE SIXTH JUDICIAL DISTRICT OF LOUISIANA MANAGEMENT'S COLLECTIVE ACTION PLAN For the Year Ended December 31, 1997

Prison District No. 1 of the Sixth Judicial District of Louisiana respectfully submits the following corrective action plan for the year ended December 31, 1997.

Audit period: January 1, 1997 - December 31, 1997

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers in the schedule.

## FINDINGS - FINANCIAL STATEMENT AUDIT

### REPORTABLE CONDITION

#### 87-1 Need to Comply with Local Government Budget Act

**Recommendation:** In the future, the jury should adopt budgets for the Commissary Fund and amend each budget as required by the statutes.

**Action to be taken:** The secretary at the prison was not aware that the sales and purchases of the commissary should be budgeted. The secretary/treasurer along with the prison warden are preparing a budget for the commissary fund and will present it to the board for their approval when completed. Also the budgets of the prison district will be monitored and amended any time the expenditures exceed budgeted amounts by 5% or more or revenues fail to meet budgeted revenues by 5% or more.

#### 97-2 Pledged Securities - Bank Deposits Should Be Fully Secured

**Recommendation:** I recommend that the prison district monitor its deposits and require that banks provide security equal to one hundred percent of the amount on deposit at all times less the amount of deposits covered by federal deposit insurance.

**Action to be taken:** The secretary/treasurer will monitor securities pledged by banks to ensure that the prison district's deposits are fully secured at all times.

#### 97-3 Need to Record Minutes of Board Meetings

**Recommendation:** In the future, the prison district should ensure that complete and accurate minutes of all its meetings are kept in accordance with state law. The minutes should be maintained in a minute book and should reflect the date and time of the meetings as well as the board members in attendance and those absent.

**Action to be taken:** When the current secretary/treasurer assumed her position, she attempted to locate minutes of the prison board's meetings. Although some minutes were located, neither the taped transcripts or typed copies of minutes could be located for all the meetings. In the future, the secretary/treasurer will record and transcribe all minutes of the prison board meetings in a timely manner and ensure that they are inserted into the minute book.

#### 97-4 Need to Comply with Public Bid Law

**Recommendation:** The prison district should maintain accurate and orderly bid files on all items for which it receives bids. The files should contain copies of the advertisements, all original bids received, a bid tabulation record and a copy of the minutes of the meeting at which the bids were accepted. A notification of the award of the bids to the vendor should also be included in the files.

**Action to be taken:** The prison secretary will maintain orderly files on all bids received. The files will contain will contain all of the recommended information.

#### 97-5 Need to Improve Controls Over Expenditures

**Recommendation:** In the future, the prison district should ensure that all expenditures are supported by original invoices or other adequate forms of documentation. The documentation should be cancelled to prevent dual payments and should indicate the date paid, check number, account to be

charged and it should be signed by responsible individual to indicate approval for payment. All invoices, where practicable, should be signed by the person receiving the goods or services. In addition, all supporting documentation should be reviewed to determine the accuracy of the documentation and disbursements should be agreed to the documentation.

*Action to be taken:* In the future all expenditures will be supported by proper documentation. The invoice or other documentation will be cancelled with the date paid, check number, and account to be charged. Employees receiving goods will be instructed to sign the invoice or receiving report for all purchases. Also the documentation will be reviewed by the secretary to ensure the accuracy of the invoice and to ensure that the disbursement is for the correct amount. This review will be indicated by the reviewer's initials.

#### 97-6 Need to Improve Controls Over Payroll Expenditures

*Recommendation:* The prison district should establish policies and procedures to ensure adequate control over its payroll function. These policies should include requirements that all time cards be signed by the employee and approved by the warden or other supervisory personnel. Also the time cards and time recap sheets should be reviewed by the payroll personnel to ensure that the hours being paid are accurately reflected on the time cards and recap sheets. The prison district should also maintain individual earnings records for each employee to accumulate payroll information during the year and this record should be used in preparing the W-2 forms.

*Action to be taken:* Employees will be instructed to sign time cards at the end of the pay period. The employee's supervisor will also sign the time cards. The recap sheets will be signed by the warden and will be agreed to the time cards by the payroll clerk before checks are written. The payroll clerk will prepare earnings records for all employees.

# East Carroll Parish Police Jury

400 First Street  
Lake Providence, LA 71254

## MEMBERS

W.L. PATEL, Dist. 1  
DAN G. FORTINBERG, Dist. 2  
BILLY TRAVIS, Dist. 3  
GEORGE B. BERTHOUD, Dist. 4  
BROWN T. HENSON, Dist. 5  
JOSHUA JACKSON, Dist. 6  
CHRISTOPHER, Dist. 7  
DARRYL BROWN, Dist. 8  
ROBERT L. BRADSHAW, Dist. 9

## MANAGER

W.D. POIRIE  
Vice-President  
Dustin Sims

## SECRETARY-TREASURER

Angela Johnson

## MANAGER, PENSION FUND

Daryl Brown

## TELEPHONE 1st / 2nd

714-760-1111 / 714-760-1112

E-mail: [ejp@eastcarroll.com](mailto:ejp@eastcarroll.com)

### PRISON DISTRICT NO. 1 OF THE SIXTH JUDICIAL DISTRICT OF LOUISIANA SCHEDULE OF PRIOR YEAR FINDINGS For the Year Ended December 31, 1997

#### SECTION I - COMPLIANCE REPORT

##### Need to Complete Audit Within Time Prescribed

**Recommendation:** The prison district should ensure that the district's records are available for audit in sufficient time as to ensure that its audit is completed within the time prescribed by state law.

This finding has been resolved, witnessed by the fact that the current year audit will be completed prior to the deadline required by law.

##### Need to Comply with Constitution

**Recommendation:** The prison district should immediately receive full payment in accordance with the accepted bid or recover the equipment removed. In the future, the prison district should not allow any equipment to be removed from the premises until payment has been received.

This finding has been resolved. The prison received payment in the amount of the bid during the year ended December 31, 1997. In the future no equipment sold as surplus will be removed from the prison until payment is received.

## **SECTION II - INTERNAL CONTROL REPORT**

### **Need to Monitor Vendor Invoices**

**Recommendation:** The kitchen manager or prison secretary should examine all invoices and ensure that the amount charged is the amount that was bid for the items. The prison district should research all invoices for meat and food items and request a refund for any amounts determined to be in excess of bid amounts. In the future the prison district should only pay the amount bid for food and meat products.

This finding has been partially resolved. The prison is occasionally charged amounts for food items in excess of its bid amount. However, the prison secretary reviews all invoices and deducts the amount of any over charges from the payment of the invoice.

### **Need to Obtain Payment for Sale of Equipment**

**Recommendation:** The prison district should immediately secure full payment in accordance with the accepted bid or recover the equipment removed. In the future, the prison district should not allow any equipment to be removed from the premises until payment has been received.

As mentioned in the response above, this finding has been resolved. The prison received payment in the amount of the bid during the year ended December 31, 1997. In the future no equipment sold as surplus will be removed from the prison until payment is received.

## **SECTION III - MANAGEMENT LETTER**

### **PURCHASE OF LUNCHES**

**Recommendation:** Considerable savings could be realized by delivering lunches prepared at the prison to trustees.

The prison district has discontinued the practice of purchasing lunches for trustees working at the courthouses and other locations within the parish. Lunches are now delivered from the prison kitchen to these trustees. Therefore, this finding is resolved.