

30

OFFICIAL
FILE COPY
DO NOT SEND OUT



RECEIVED

JUN 29 1999

LEGISLATIVE AUDIT UNIT

ORLEANS INDIGENT DEFENDER PROGRAM

085 01502
1613

FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT

FOR THE YEAR ENDED DECEMBER 31, 1997

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, 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.

**Bruno
& Tervalon**

OFFICE OF PUBLIC ACCOUNTANTS

Release Date 06/15/99

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITORS' REPORT	1
COMBINED BALANCE SHEET--GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP	3
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE--GOVERNMENTAL FUND TYPE--GENERAL FUND	4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE--BUDGET AND ACTUAL (GAAP BASIS)-- GOVERNMENTAL FUND TYPE--GENERAL FUND	
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS	7
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	16
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 1997	18
EXIT CONFERENCE	20

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Orleans Indigent Defender Program

We have audited the accompanying general purpose financial statements of Orleans Indigent Defender Program (OIDP), as of and for the year ended December 31, 1997, as listed in the Table of Contents. These general purpose financial statements are the responsibility of OIDP's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

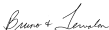
We conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements. 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 general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material aspects, the financial position of OIDP as of December 31, 1997, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
Orleans Indigent Defender Program
Page 2

In accordance with Government Auditing Standards, we have also issued a report, dated March 27, 1998, on our consideration of ODDP's internal control over financial reporting and our tests on its compliance with certain provisions of laws, regulations, contracts, and grants.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

March 27, 1998

**ORLEANS INDIGENT DEFENDER PROGRAM
COMBINED BALANCE SHEET -
GOVERNMENTAL FUND TYPE AND ACCOUNT GROUP
DECEMBER 31, 1997**

	GOVERNMENTAL FUND TYPE _____	ACCOUNT GROUP GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY NOTE 1) _____
	GENERAL FUND _____		
ASSETS			
Cash and cash equivalents (NOTE 2)	\$479,739	\$ -0-	\$479,739
Court costs on fines and facilities receivable	198,785	-0-	198,785
Office equipment and furnishings (NOTE 3)	-0-	143,171	143,171
Prepaid expenses	46,523	-0-	46,523
Total assets	<u>\$725,047</u>	<u>\$143,171</u>	<u>\$868,218</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 9,856	\$ -0-	\$ 9,856
Accrued expenses	56,789	-0-	56,789
Total liabilities	<u>66,645</u>	<u>-0-</u>	<u>66,645</u>
Fund equity:			
Investment in fixed assets	-0-	143,171	143,171
Fund balance-unreserved/unassigned	658,402	-0-	658,402
Total fund equity	<u>658,402</u>	<u>143,171</u>	<u>801,573</u>
Total liabilities and fund equity	<u>\$725,047</u>	<u>\$143,171</u>	<u>\$868,218</u>

The accompanying notes are an integral part of these general purpose
financial statements.

ORLEANS INDIGENT DEFENDER PROGRAM
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCE--GOVERNMENTAL FUND TYPE--GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1997

Revenues:	
Court costs on fines and forfeitures	\$1,129,461
Probation assessments	33,980
Attorney fees	16,280
Interest	10,670
State Board funds	884,272
Pass-through funding for Capital Conflict Panel (NOTE 7)	231,333
Bond funds	<u>82,322</u>
Total revenues	<u>2,358,318</u>
Expenditures:	
Salaries and related benefits	1,818,857
Travel and education	2,185
Material and supplies	12,183
Office expenditures	28,260
Audit and accounting	18,860
Capital Conflict Panel funding (NOTE 7)	231,333
Insurance	69,514
Contractual services	6,205
Capital outlays	5,677
Law books and pamphlets	6,731
Witness expense	31,443
Miscellaneous	<u>1,321</u>
Total expenditures	<u>2,348,539</u>
Excess of revenues over expenditures	149,779
Fund balance at beginning of year	<u>588,881</u>
Fund balance at end of year	<u>\$ 738,660</u>

The accompanying notes are an integral part of these general purpose financial statements.

ORLEANS INDIGENT DEFENDER PROGRAM
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL (GAAP BASED)-
GOVERNMENTAL FUND TYPE-GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1997

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:			
Court costs on fines and forfeitures	\$1,140,290	\$1,139,461	\$ (829)
Probation assessments	31,087	33,908	2,821
Attorney fees	14,733	16,203	1,470
Interest	11,158	10,678	(480)
State Board funds	879,245	884,272	5,027
Fees-through funding, for Capital	-	-	-
Conflict Panel	231,333	231,333	-
Bond funds	21,599	82,212	60,613
Total revenues	2,334,730	2,385,060	50,330
Expenditures:			
Salaries and related benefits:			
Salaries	1,641,186	1,586,037	55,149
Payroll taxes	124,921	119,844	5,077
Employer insurance	118,234	112,978	(5,256)
Travel and education	3,715	7,185	(3,470)
Material and supplies:			
Office supplies	6,882	7,985	(1,103)
Paper - copy machine	3,080	3,173	(93)
Printed forms	2,163	1,946	217
Office expenditures:			
Computer expense	11,197	10,748	449
Dues	2,790	-	2,790
Copy machine lease and maintenance	3,643	6,587	(2,944)
Telephone	13,857	11,984	1,873
Postage	3,887	1,813	2,074
Building expense	5,588	5,346	242
Sub-total	1,933,893	1,874,503	59,390

(CONTINUED)

The accompanying notes are an integral part of these general purpose
financial statements.

ORLEANS INDIGENT DEFENDER PROGRAM
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE
IN FUND BALANCE - BUDGET AND ACTUAL (GAAP BASIS)
GOVERNMENTAL FUND TYPE-GENERAL FUND
(CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 1997

	BUDGET	ACTUAL	VARIANCE FAVORABLE UNFAVORABLE
Expenditures, Continued:			
Office expenditures, Continued:			
Coffee supplies	\$ 571	\$ 579	\$ (8)
Bottled water	255	358	17
Transcripts and files	600	-0-	600
Printer service	1,800	853	147
Audit and accounting	17,900	18,860	(960)
Legal notice	300	-0-	300
Capital Conflict Panel Funding	231,333	231,333	-0-
Insurance	68,349	68,514	(165)
Contractual services	11,800	6,905	4,895
Capital outlays	5,425	5,677	(252)
Law books and pamphlets	4,946	8,751	(1,795)
Witness expense	28,726	31,443	(4,717)
Miscellaneous	<u>1,887</u>	<u>1,771</u>	<u>116</u>
Total expenditures	<u>2,503,608</u>	<u>2,748,539</u>	<u>244,931</u>
Excess of revenues over expenditures	31,628	149,521	<u>117,893</u>
Fund balance at beginning of year	<u>508,881</u>	<u>508,881</u>	
Fund balance at end of year	<u>\$ 540,509</u>	<u>\$ 658,402</u>	

The accompanying notes are an integral part of these general purpose financial statements.

ORLEANS INDIGENT DEFENDER PROGRAM
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS

NOTE 1 - Background and Summary of Significant Accounting Policies

Background

The *Orleans Indigent Defender Program (OIDP)*, established in compliance with Louisiana Revised Statutes 15:144-149, provides counsel to represent indigents (poorly individuals) in criminal and quasi-criminal cases at the district court level. The judicial district encompasses the Parish of Orleans, Louisiana. The Board of Directors is composed of seven (7) members who are appointed by the district court for life. Board members serve without compensation. Revenues to finance OIDP's operations are provided primarily from court costs or fines imposed by the various courts within the district.

Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying financial statements of the **OIDP** have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

For financial reporting purposes, in conformance with GASB Codification Section 1300, **OIDP** is a part of the district court system of the State of Louisiana. However, **OIDP** operates autonomously from the State of Louisiana and independently from the district court system. Therefore, **OIDP** reports as an independent reporting entity and the financial statements include only the transactions of **OIDP**.

C. Fund Accounting

OIDP uses the general fund and the general fixed assets account group to report on its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by aggregating transactions relating to certain government functions or activities.

ORLEANS INDIGENT DEFENDER PROGRAM
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and Summary of Significant Accounting Policies,
Continued:

Summary of Significant Accounting Policies
(Continued)

C. Fund Accounting, Continued

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The general fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The operating statement presents increases and decreases in net current assets. The modified accrual basis of accounting is used by the general fund using the following practices in recording revenues and expenditures:

Revenues

Court costs on fines and forfeitures are recorded in the month the amounts are collected by the appropriate courts.

Interest income on time deposits is recorded when the time deposits have matured and the interest is available.

Substantially all other revenues are recorded when received.

ORLEANS INDIGENT DEFENDER PROGRAM
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Background and Summary of Significant Accounting Policies.
Continued:

Summary of Significant Accounting Policies
(Continued)

Expenditures

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

E. Budgetary Data

The OIDP utilizes the following budget practices:

- o In the last quarter of the year, a budget for the following year is prepared and submitted to the Board of Directors for approval. The budget may be amended during the year, if requested, with the approval of the Board of Directors.
- o The budget records are maintained in the accounting department with all other public records of this program and can be reviewed by making arrangements with the Director.
- o The budget is normally presented for approval at the last board meeting of the year and anyone could attend the budget hearing if they so desire.
- o The budget is based on prior year experience as to receipts and disbursements and takes into consideration increases in costs of services and supplies, taxes, insurance and equipment, as well as the increase costs of salaries and fringe benefits when raises and/or new positions are authorized. The budget as a whole is based on the amount of money that is available and the disbursements that are necessary to maintain the efficient operation of this program.

ORLEANS INDIGENT DEFENDER PROGRAM
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, CONTINUED

**NOTE 1 - Background and Summary of Significant Accounting Policies,
Continued:**

**Summary of Significant Accounting Policies
(Continued)**

E. Budgetary Data, Continued

- o Quarterly financial reports are submitted to the Board of Directors, which in part list the amount of the budget that has been used for first period and indicates a favorable or unfavorable difference as to the budget amount attributed to the period of time being reported.
- o All budgetary appropriations lapse at the end of the fiscal year and **ODDP does not use a system of encumbrance accounting.**
- o The budget for general fund expenditures is prepared on a basis consistent with generally accepted accounting principles.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing time deposits. Cash equivalents include amounts in time deposits with original maturities of ninety (90) days or less. Under state law, **ODDP** may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. Fixed Assets

Fixed assets are recorded as expenditures at the time purchased, and the related assets are reported in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

ORLEANS INDIGENT DEFENDER PROGRAM
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, CONTINUED

**NOTE 1 - Background and Summary of Significant Accounting Policies,
Continued**

**Summary of Significant Accounting Policies
(Continued)**

II. Compensated Absences

All employees earn one and one-half (1 1/2) days of vacation leave each month. Vacation leave can be accumulated up to a maximum of thirty (30) days. Sick leave is earned at the rate of two (2) days each month. Sick leave can be accumulated without limitation. Upon termination, all unused vacation and sick leave lapse. At December 31, 1993, there are no accumulated and vested benefits relating to vacation or sick leave that require disclosure or accrual to conform with generally accepted accounting principles.

1. Total Column on the Combined Balance Sheet

The total column on the combined balance sheet is captioned "Memorandum Only" to indicate that the information is presented only to facilitate financial analysis. Data in this column does not present the financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ORLEANS INDIGENT DEFENDER PROGRAM
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Cash and Cash Equivalents:

OHDP had cash and cash equivalents totaling \$479,739 (book balances) at December 31, 1997, as follows:

Demand deposits	\$273,144
Time deposits:	
Savings account	7,889
Certificates of deposit	198,699
Total	\$479,739

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 bank. 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.

At December 31, 1997, OHDP has \$503,040 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$293,340 of pledged securities held by a custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 19:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by OHDP that the fiscal agent has failed to pay deposited funds upon demand.

ORLEANS INDIGENT DEFENDER PROGRAM
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, CONTINUED

NOTE 3 - Changes in General Fixed Assets:

A summary of changes in general fixed assets (office equipment) follows:

Balance, January 1, 1997	\$137,843
Additions	— 5,328
Balance, December 31, 1997	<u>\$143,171</u>

NOTE 4 - Pension Plan:

Substantially all of ODDP's employees participate in the federal social security program. ODDP is required to remit an amount to the Social Security Administration equal to employee's contribution up to an established limit. ODDP does not guarantee any of the benefits granted by the Social Security Administration.

NOTE 5 - Operating Lease:

ODDP has an operating lease for office equipment. This lease has a remaining term of less than one (1) year.

Lease expense for the current year amounted to \$6,650.

NOTE 6 - District Assistance Fund Grant:

During the 1997 fiscal year, ODDP was awarded and received grant funds from the Louisiana Indigent Defender Board's (LIDDB) District Assistance Fund.

The District Assistance Fund is a grant-in-aid program intended to provide supplemental financial assistance in felony cases to district indigent defender boards that have a need for such supplemental funding and that are willing to comply with the standards, guidelines, and policies of the Louisiana Indigent Defender Board.

ORLEANS INDIGENT DEFENDER PROGRAM
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, CONTINUED

NOTE 6 - District Assistance Fund Grant, Continued

Funding under the program is being provided to assist qualified district boards in improving the quality of indigent defense on a continuous basis especially with respect to the following major goals:

- 1) To lower attorney caseloads to levels consistent with LIDB and national caseload standards;
- 2) To increase the pool of qualified attorneys certified under the LIDB's capital and appellate programs;
- 3) To provide more effective attorney unit support in the form of investigators, secretaries, and other forms of office support;
- 4) To improve criminal defense knowledge and skill through training, specialized continuing legal education, and better supervision; and
- 5) To defray expert witness/hearing costs.

NOTE 7 - Conflict Panel Funding:

In 1995, OIDP entered separately into agreements with the Louisiana Indigent Defender Board (LIDB) and the Orleans Indigent Defender Capital Conflict Panel (the Conflict Panel) whereby LIDB provided OIDP with grant funds to be totally passed through to the Conflict Panel. The purpose of such funding is to defray expenses of capital cases being prosecuted in Orleans Parish but which OIDP is prohibited from handling because of conflicts of interests.

ORLEANS INDIGENT DEFENDER PROGRAM
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS, CONTINUED

NOTE 7 - Conflict Panel Funding, Continued:

For the year ended December 31, 1997, ODDP received and distributed \$251,355 of grant funds to the Conflict Panel.

NOTE 8 - Risk Management:

ODDP is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets for which ODDP carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of the
Orleans Indigent Defender Program
New Orleans, Louisiana

We have audited the general purpose financial statements of Orleans Indigent Defender Program (OIDIP) as of and for the year ended December 31, 1997, and have issued our report thereon dated March 27, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether OIDIP's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under Government Auditing Standards.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

(CONTINUED)

Internal Control Over Financial Reporting

In planning and performing our audit, we considered OHP's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of OHP in a separate letter dated March 27, 1998.

This report is intended solely for the use of management and the State of Louisiana, Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the OHP and the State of Louisiana, Legislative Auditor, is a matter of public record.


BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

March 23, 1998

**ORLEANS INDIGENT DEFENDER PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 1997**

We have audited the general purpose financial statements of Orleans Indigent Defender Program as of and for the year ended December 31, 1997, and have issued our report thereon dated March 27, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the general purpose financial statements as of December 31, 1997 resulted in an unqualified opinion.

1. Summary of Auditors' Results

- A. Reportable conditions in internal control were disclosed by the audit of the financial statements: None. Material weaknesses: None.
- B. Noncompliance which is material to the general purpose financial statements: None.
- C. Reportable conditions in internal control over major programs: N/A. Material weaknesses: N/A.
- D. The type of report issued on compliance for major programs: N/A.
- E. Any audit findings which are required to be reported under section 501(a) of OMB Circular A-133: N/A.
- F. Major programs: N/A.
- G. Dollar threshold used to distinguish between Type A and Type B programs: N/A.
- H. Auditor qualified as a low-risk auditor under section 530 of OMB Circular A-133: N/A.
- I. A management letter was issued: Yes.

ORLEANS INDIGENT DEFENDER PROGRAM
SCHEDULE OF FINDINGS AND QUESTIONED COSTS, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1997

2. **Financial Statement Findings**

No matters were reported.

3. **Federal Award Findings and Questioned Costs**

Not applicable.

**ORLEANS INDIGENT DEFENDER PROGRAM
EXIT CONFERENCE**

An exit conference was held on June 4, 1998 and those in attendance were as follows:

ORLEANS INDIGENT DEFENDER PROGRAM

Ms. Laurie A. White -- Board Member
Mr. Nanna V. Hestel, Jr. -- Director

BRUNS & TERVALON, CERTIFIED PUBLIC ACCOUNTANTS

Mr. Alcide J. Tervalon, Jr., CPA -- Partner
Mr. Lawrence Jones, CPA -- Audit Supervisor

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT

To the Board of Director
Orleans Indigent Defender Board
New Orleans, LA

We have audited the financial statements of **Orleans Indigent Defender Program (OIDP)** for the year ended December 31, 1997 and have issued our report thereon dated March 27, 1998.

In planning and performing our audit of the financial statements of **OIDP** for the year ended December 31, 1997, we considered the **OIDP's** internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The recommendation that accompanies this letter summarizes our comments and suggestions regarding these matters. This letter does not affect our report dated March 27, 1998 on the financial statements of **OIDP**.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various **OIDP** personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

This report is intended solely for the use of management and the State of Louisiana, Legislative Auditor and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the OHP and the State of Louisiana, Legislative Auditor, is a matter of public record.



BRUNO & TERVALON
CERTIFIED PUBLIC ACCOUNTANTS

March 27, 1998

INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)

97 - 1. BAIL BOND REVENUE

We noted during the 1997 audit that a mechanism has not been established to ensure that bail bond revenues have been completely received from the judicial court system.

We recommend that the management of OMDP discuss with the judicial court system the process for determining the amount of bail bond revenue earned by OMDP. OMDP should require that the judicial court system provide support for OMDP's distribution of earned bail bond revenue similar to the present procedures established for collecting traffic, municipal and juvenile court revenues.

97 - 2. CASH COLLECTIONS OF CONDITION OF PROBATION REVENUES

We noted during the 1997 fiscal year that OMDP lost over eight hundred dollars (\$800) in currency in cash collections of Condition of Probation Revenues. The procedures at the time of the loss were for the accounting clerk to verify cash in both currency and checks by accounting it, sign a verification document, and walk the cash collections back to OMDP's accounting office. The cash was lost at some point between leaving the Judicial Administrator's office and returning to OMDP's office.

Currently, procedures for the collection of Condition of Probation Revenues have changed whereby the Judicial Administrator sends a check for the revenue collected to OMDP along with supporting documentation.

We recommend that OMDP continue to require that the Judicial Administrator send Condition of Probation Revenues only in checks and that OMDP follow its cash collection procedures currently in place.

**INDEPENDENT AUDITORS' COMMENTS TO MANAGEMENT
(CONTINUED)**

97 - 3 YEAR 2000 PROBLEM

We understand that you have upgraded your accounting software to handle the year 2000 date-based processing problem; however, other software currently being used for operations should be evaluated for potential year 2000 problems. We suggest that OHP inquire of its various software providers if any year 2000 problems exist. Assurances from software providers should be obtained in writing. Should additional software be needed to correct any possible problems, OHP should provide for the necessary time and resources to adequately remedy the situation.



DAVID V. BENTLEY, JR.
 GOVERNOR
 STATE OF LOUISIANA

ORLEANS INDEPENDENT DEFENDER PROGRAM

CRIMINAL COURTS BUILDING
 1700 PULASKI AVENUE - ROOM 117
 NEW ORLEANS, LOUISIANA 70119
 TELEPHONE: 821-8101
 FAX: 821-8188

CRIMINAL DIVISION
 1700 PULASKI AVENUE - ROOM 117
 TELEPHONE: 821-8101
 ADMINISTRATIVE SERVICES DIV.
 120 N. BROAD STREET
 TELEPHONE: 821-8101
 JURY UNIT DIVISION
 CIVIL SERVICE CENTER 100
 TELEPHONE: 821-8101

**ORLEANS INDEPENDENT DEFENDER PROGRAM
 MANAGEMENT'S CORRECTIVE ACTION PLAN
 FOR THE YEAR ENDING DECEMBER 31, 1997**

1997-1 Bail Bond Revenue

The auditors have recommended that the management of ODP discuss with the judicial system the process for determining the amount of bail bond revenue earned by ODP. Also, ODP should require that the judicial court system provide report for ODP's distribution of earned bail bond revenue, similar to the present procedures established for collecting traffic, municipal and juvenile court revenues.

CORRECTIVE ACTION

The management of ODP is discussing with the Judicial Administrator's office a procedure whereby the Judicial Administrator's office will furnish ODP with a statement setting forth the amount of bail bond revenue earned by ODP, with support information for distribution of earned bail bond revenues.



HUMPHREYS
 Sheriff
 Chief of Police - Orleans Parish

ORLEANS INDIGENT DEFENDER PROGRAM
 CRIMINAL COURTS BUILDING
 1700 TULANE AVENUE - ROOM 112
 NEW ORLEANS, LOUISIANA 70119
 TELEPHONE: 527-8101
 FAX: 527-8288

CRIMINAL DIVISION
 4700 TULANE AVE. - ROOM 111
 TEL: 524-2142
 4700 TULANE AVE. - ROOM 112
 TEL: 524-2142
 4700 TULANE AVE. - ROOM 113
 TEL: 524-2142
 4700 TULANE AVE. - ROOM 114
 TEL: 524-2142
 4700 TULANE AVE. - ROOM 115
 TEL: 524-2142

ORLEANS INDIGENT DEFENDER PROGRAM
 MANAGEMENT'S CORRECTIVE ACTION PLAN, CONTINUED
 FOR THE YEAR ENDED DECEMBER 31, 1997

1997-2 Cash Collections of Probation Revenue

OIMP should require that the Judicial Administrator send Conditions of Probation Revenue only in checks and that OIMP follow its cash collection procedures currently in place.

CORRECTIVE ACTION

Currently, the Judicial Administrator sends a check for the monthly Conditions of Probation Revenue collected to OIMP along with supporting documentation. OIMP then follows the cash collection procedures currently in place for the receipt of Conditions of Probation Revenue.



ROBERT W. HENRIE, JR.
SHERIFF
ORLEANS PARISH SHERIFF'S OFFICE

ORLEANS INCIDENT DEFENDER PROGRAM

**CENTRAL COURTS BUILDING
2700 PULASKI AVENUE - ROOM 112
NEW ORLEANS, LOUISIANA 70119
TELEPHONE 824-8001
FAX 824-8180**

**ORLEANS COURTS
1000 PULASKI AVENUE - ROOM 112
TELEPHONE 824-8001

MANAGEMENT & FINANCE DEPT.
1015 BROADWAY STREET
TELEPHONE 824-1000

JULIENNE HENRIE
CIVIL DISTRICT COURT CLERK
TELEPHONE 824-8001**

**ORLEANS INCIDENT DEFENDER PROGRAM
MANAGEMENT'S CORRECTIVE ACTION PLAN, CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 1997**

1997-3 Year 2000 Problem

The auditors suggested that ODP inquire of its various software providers if any year 2000 problems exist. Answers from software providers should be in writing. Should additional software be needed to correct any possible problems, ODP should provide for the necessary time and resources to adequately remedy the situation.

CORRECTIVE ACTION

The Management of ODP has been advised by their computer consultant that there are no problems regarding the year 2000 and the consultants will furnish written opinions.



ORLEANS INDIGENT DEFENDER PROGRAM
CRIMINAL COURTS Bldg. (2nd)
6101 TULANE AVENUE - ROOM 1112
NEW ORLEANS, LOUISIANA 70118
Telephone: 821-8121
Fax: 821-8285

ORLEANS COURTS
700 PULASKI AVE - ROOM 1112
TELEPHONE: 821-8121
MUNICIPAL & DISTRICT CTS.
FOR A LISTING STREET
TELEPHONE: 821-8121
JUVENILE COURTS
CIVIL DISTRICT COURT BLDG.
TELEPHONE: 821-8121

ORLEANS INDIGENT DEFENDER PROGRAM
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 1997

1. INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO THE FINANCIAL STATEMENTS

No prior year audit findings reported.

2. INTERNAL CONTROL AND COMPLIANCE
MATERIAL TO FEDERAL AGENCIES

No prior year audit findings reported.

3. MANAGEMENT LETTER

No prior year audit findings reported.