

# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Town of Vinton  
Vinton, Louisiana

February 3, 1999

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***Audit Resolution Report***

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**Daniel G. Kyle, Ph.D., CPA, CFE**  
**Legislative Auditor**

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### LEGISLATIVE AUDITOR

**Daniel G. Kyle, Ph.D., CPA, CFE**

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**TOWN OF VINTON**

Vinton, Louisiana

Audit Resolution Report  
Dated November 24, 1998, except for  
the matter on page 7, which is  
dated January 18, 1999

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

February 3, 1999

**Town of Vinton**  
Vinton, Louisiana

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OFFICE OF  
**LEGISLATIVE AUDITOR**  
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BATON ROUGE, LOUISIANA 70804-9397

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November 24, 1998, except for  
the matter on page 7, which is  
dated January 18, 1999

**HONORABLE RONALD C. BEAN, CHAIRMAN,  
AND MEMBERS OF THE LEGISLATIVE  
AUDIT ADVISORY COUNCIL**  
Baton Rouge, Louisiana

We have performed a limited examination of the Town of Vinton. Our examination was conducted in accordance with Title 24 of the Louisiana Revised Statutes and was performed to determine whether the town has taken appropriate action to resolve findings cited in the audit report and management letter dated January 13, 1998, issued by Mires & Company, Certified Public Accountants.

The accompanying report includes unresolved findings. We will continue to monitor those findings until management resolves the findings.

Copies of this report have been delivered to the mayor and aldermen of the Town of Vinton and other authorities as required by state law.

Respectfully submitted,

A handwritten signature in cursive script that reads "Daniel G. Kyle".

Daniel G. Kyle, CPA, CFE  
Legislative Auditor

DGK:GLM:sev

**TOWN OF VINTON**  
Vinton, Louisiana

**BACKGROUND AND METHODOLOGY**

Mires & Company, Certified Public Accountants, issued an audit report, with a management letter, dated January 13, 1998, on the financial statements of the Town of Vinton for the year ended September 30, 1997. The audit report and management letter included numerous internal control deficiencies and violations of state laws and regulations.

We visited the town to determine whether appropriate action was taken to correct the matters included in the report and management letter. Our procedures consisted of the following: (1) examining selected town records; (2) interviewing certain employees of the town; (3) reviewing applicable Louisiana laws and Attorney General opinions; and (4) making inquiries to the extent we considered necessary to achieve our purpose.

## LEGISLATIVE AUDITOR

TOWN OF VINTON  
Vinton, Louisiana

### CONCLUSIONS

Based on the results of the procedures performed during our visit to the town, we conclude that management of the town has taken the following steps to resolve the findings contained in the Mires & Company report, and accompanying management letter, dated January 13, 1998:

1. The town's attorney informed us that he filed suit on five delinquent paving assessments and was in the process of filing suits for the remaining delinquencies.
2. Chamber of Commerce dues were not paid.
3. *The town adopted a travel policy.*
4. The police chief and fire chief are the only town employees that now have cellular phones. The phone bills we reviewed for these two cellular phones did not have excessive phone calls.
5. Invoices are reviewed by the mayor and board members before payment.

Management of the town did not fully address the following findings included in the Mires & Company report and accompanying management letter dated January 13, 1998:

1. The town is not fully accounting for issued traffic tickets.
2. Fines received by the police department are not given to the town's administrative office daily for recording and deposit.
3. The town is not obtaining quotes for all large purchases.
4. The town does not have a written procurement policy.

As we evaluated the findings contained in the Mires & Company report and management letter, the following matters came to our attention:

1. The town is not accounting for misdemeanor summonses.
2. Controls over receipts and disbursements need to be improved.
3. The utility accounts receivable balance in the general ledger is not reconciled monthly with the detailed accounts receivable listing, and the meter deposit account is not reconciled monthly with the detailed listing of customers' meter deposits.

LEGISLATIVE AUDITOR

**Town of Vinton**  
Vinton, Louisiana  
*Conclusions (Concluded)*

4. Detailed fixed asset records are not complete, all assets are not tagged, and physical inventories of all fixed assets are not conducted.
5. The town's gasoline pump records and procedures need to be improved.
6. Controls over payroll need to be improved.

The Findings and Recommendations section of this report provides details for our conclusions for the findings not addressed by management of the town and the additional matters that came to our attention during our follow-up review.



LEGISLATIVE AUDITOR

TOWN OF VINTON  
Vinton, Louisiana

FINDINGS AND RECOMMENDATIONS

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**Need to Improve Controls Over Traffic Tickets  
and Misdemeanor Summonses**

Traffic tickets and misdemeanor summonses issued to police officers are not reconciled with the issued citations returned by the police officers. Good controls over traffic ticket books and misdemeanor summons books require that new books be issued to police officers only after the previously issued books have been accounted for and all issued citations have been received from the police officer. In addition, good controls require that records be maintained that account for the final disposition of all citations and that access to citations be limited only to authorized personnel.

Traffic citations are not recorded in the town's *Traffic Ticket Log Book* until the citations have been paid or dismissed. Therefore, the town is not aware of all traffic citations issued by the police officers. The police department also forwards some traffic citations to the Fourteenth Judicial District Court to process without the town's knowledge. From our review of the *Traffic Ticket Log Book*, we could not determine whether 117 traffic tickets were ever issued to traffic offenders and whether 22 traffic citations were paid or if other action was taken. In addition, several traffic tickets were voided by police officers.

The police department issues police officers misdemeanor summons books. However, neither the police department nor the town accounts for the numerical sequence of citations issued by the police officers. The following matters relating to misdemeanor summonses were noted:

- Summons books are not issued to police officers in numerical sequence (25 summonses to a book).
- Of 115 citations issued by police officers with a court date of October 1, 1997, through December 3, 1998, we were unable to determine if any action was taken on 27 of the citations.
- In addition to the town hall maintaining a "fines payable folder" for unpaid fines, the police dispatcher maintains a "fines payable folder" for unpaid fines.
- It could not be determined if numerous summonses were issued (the numerical sequence of the issued summonses left gaps of unissued summonses).
- The police department forwards some citations to the Fourteenth Judicial District Court to process without the town's knowledge.

The town should (1) issue a police officer a traffic ticket book or misdemeanor summons book only after the previously issued book has been accounted for and all issued citations have been received from the police officer; (2) account for the numerical sequence of all citations and the final disposition of those citations monthly; (3) prohibit police officers from voiding citations; (4) document those citations forwarded to district court by using a transmittal letter

## LEGISLATIVE AUDITOR

### Town of Vinton

Vinton, Louisiana

### Findings and Recommendations (Continued)

listing the names and citation numbers; (5) combine the "fines payable folders" and follow-up monthly to ensure payments are being made; and (6) file the issued citations in a fireproof filing cabinet with access limited to authorized personnel.

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### **Need to Improve Controls over Receipts and Disbursements**

**Controls over receipts and disbursements need to be improved.** The control weaknesses are:

- Fines received by the police department are not given to the town's administrative office daily for recording and deposit.
- The cashiers receive customer payments and also prepare the bank deposit and take the bank deposit to the bank.
- The check-signing machine is used to sign all checks (mayor and town clerk's signatures). The key to the machine is kept in the town clerk's office; however, all employees have access to the key. Employees who prepare checks also use the machine to sign the checks.
- Signed checks are mailed to vendors by the person who prepares the checks (accounts payable clerk) instead of being mailed by someone who has no accounts payable responsibilities.
- IRS Forms 1099 were not filed for the town's attorney, accountant, or auditor.
- The town does not have a written procurement policy.

As a result of the police department's failure to transfer fines collected to the town's administrative office on a daily basis, receipts were lost or misappropriated. On January 18, 1999, (subsequent to our review of November 24, 1998), fines collected by the police department during December 1998, totaling \$694, were found missing. The town determined the amount of the missing funds from copies of the prenumbered fine receipts maintained by the police department. The police department could not produce the required documentation that these funds were transferred to the town's administrative office for recording and deposit. Therefore, the town believes the money was lost or misappropriated in the police department.

Management of the town should (1) require that fines received by the police department be transferred daily to the town's administrative office; (2) have someone who has no cash receipts responsibilities prepare the bank deposit; (3) require dual control over the use of the check

## LEGISLATIVE AUDITOR

### **Town of Vinton** Vinton, Louisiana Findings and Recommendations (Continued)

signing machine; (4) establish procedures to ensure that signed checks are not returned to the employee who prepared the checks; (5) require that IRS Forms 1099 are filed for all individuals who do business with the town and receive payments of \$600 or more; and (6) adopt a written procurement policy.

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#### **Need to Obtain Quotes for Large Purchases**

**The town did not obtain quotes for certain large purchases.** The town purchased bulk gasoline and road materials without obtaining quotes. Obtaining quotes when purchasing large items ensure that goods and services are obtained at the most favorable prices.

The town should seek quotes when large items are purchased to ensure that the most favorable prices are obtained. We suggest that these quotes be documented as part of the approval process before the purchase is made. In addition, the town should be aware of Louisiana's bid law requirements when purchasing large items. Louisiana Revised Statute 38:2212 requires competitive bids for all purchases of materials and supplies exceeding \$15,000. The public bid law requires that purchases between \$7,500 and \$15,000 be made by obtaining at least three telephone or facsimile quotations.

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#### **Need to Improve Controls Over Utility Accounts and Meter Deposits**

**The utility accounts receivable balance in the general ledger is not reconciled with the detailed accounts receivable listing and the meter deposit account is not reconciled with the detailed listing of customers' meter deposits.**

At September 30, 1998, the general ledger balance was \$300,197, and the detailed accounts receivable listing balance was \$327,949, a difference of \$27,752.

At September 30, 1998, the cash balance in the meter deposit bank accounts totaled \$108,114, and the customer deposits payable balance in the general ledger was \$96,627, a difference of \$11,487. In addition, the meter deposit account is not reconciled monthly with the detailed records of customer meter deposits.

Management of the town should (1) reconcile the accounts receivable balances in the general ledger with the detailed accounts receivable listing on a monthly basis; and (2) reconcile the customer deposits payable and cash account in the general ledger with the detailed listing of customers' meter deposits on a monthly basis.

## LEGISLATIVE AUDITOR

Town of Vinton  
Vinton, Louisiana  
Findings and Recommendations (Continued)

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### Need to Improve Town's Gasoline Pump Procedures

Controls over the town's gasoline pumps need to be improved. Good controls over the use of town gasoline for town vehicles require that complete pump records be maintained and reviewed periodically. This review will ensure that only town vehicles are receiving gasoline, vehicles receiving the gasoline are properly identified, odometer readings are accurately recorded, and the amount of gasoline received by town vehicles is reasonable.

The town has two gasoline pumps. The mayor, police department, and fire department use one pump (located behind town hall) and public works departments (electricity, water, sewer, and streets) use the other pump (located at the maintenance yard). Our review of procedures for dispensing the gasoline revealed the following:

- A separate monthly log is maintained for the town hall and the maintenance yard gasoline pumps. These logs include the vehicle number, amount of gasoline pumped, and the name of the person fueling the vehicle. However, the logs do not include the vehicle odometer readings and the pump meter readings. The vehicle odometer readings are necessary to determine the miles traveled between each refueling to calculate miles per gallon for each vehicle. The pump meter readings are necessary to reconcile for the gallons of gasoline dispensed with the number of gallons recorded as received by each vehicle.
- The September 1998 log maintained by the police department dispatcher did not always include the name of the person fueling the vehicle and some amounts received by vehicle appear unreasonable. For example, on September 15, 1998, a vehicle received 28 gallons of gasoline.
- Signatures of employees receiving the gasoline are not required on the logs.

The town should (1) assign specific employees the responsibility of maintaining the logs; (2) provide a place on the log for the person fueling the vehicle to sign; (3) prepare a monthly analysis or summary by vehicle that includes, at a minimum, the number of gallons received, miles traveled, and miles per gallon; (4) reconcile the number of gallons received with the pump meter readings; and (5) present the analysis to the board during its regular board meeting.

## LEGISLATIVE AUDITOR

Town of Vinton  
Vinton, Louisiana  
Findings and Recommendations (Concluded)

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### **Controls Over Payroll Need to Be Improved**

The town needs to improve payroll procedures. Our review of payroll and personnel records revealed:

- Form I-9 - "Employment Eligibility Verification" is not maintained for employees hired after November 6, 1986, as required by the United States Department of Justice Immigration and Naturalization Service.
- Authorized pay rate/salary is not included in the employee's personnel file.

The town should (1) require that all employees hired after November 6, 1986, complete a Form I-9; and (2) include the approved salary or rate of pay amount in each employee's personnel file.

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### **Fixed Asset Records Should Be Complete**

Detailed fixed asset records are not complete, all assets are not tagged, and physical inventories of all fixed assets are not conducted. Good internal controls over fixed assets require that (1) detailed fixed asset records be complete; (2) every asset include a tag identifying it with a number that can be cross-referenced to the detailed fixed asset records; and (3) a physical inventory be conducted on an annual basis.

The town maintains lists of administration, police, fire, and public works fixed assets; however, these lists are not complete. The lists do not include all land, buildings, automobiles, and public works assets. Although some assets were tagged, many assets were not tagged, and the fixed asset lists did not include the tag numbers.

In addition, there are no procedures in place to update the fixed asset listings on a monthly basis for purchases or disposals of fixed assets. Our test of disbursements revealed that computers, pagers, and bicycles purchased in June and July 1998, were not included on the fixed asset listings.

The town should (1) adopt a written policy to define assets that will be inventoried, including the minimum value for inclusion on the list of fixed assets; (2) take a physical inventory at least annually and follow up on items not found during the physical inventory; (3) update the fixed asset listings monthly for purchases and disposals; and (4) identify (tag) assets that belong to the town and include the tag number on the listing of fixed assets.

# Attachment I

## Management's Responses

*"Gateway to the Teche Country"*RAYWOOD LEMARE  
MAYORMARY VICE  
CLERK, TREASURER, TAX COLLECTORDENNIS D. DROUILLARD  
CHIEF OF POLICE**TOWN OF VINTON**1200 HORRIDGE STREET  
PHONE (318) 589-7453 • FAX (318) 589-8127VINTON, LA 70868  
January 7, 1999ALDERMEN  
DONALD B. DUPRE, SR.  
JESSE MENARD  
GARLAND D. MILLER  
DAVID T. RIGGINS  
WAYNE P. SMITH, IIMr. Daniel G. Kyle, CPA, CFE  
1600 North Third Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

RE: Management Response to findings and recommendations.

Dear Mr. Kyle:

The following are the responses to your recommendations we received on December 29, 1998.

## I. Need to Improve Controls of Traffic Tickets &amp; Misdemeanor Summonses

We are in the process of purchasing a computer terminal for City Hall that will be networked with the Police Department Computer, also the Chief of Police is checking into new computer software that will better meet our needs. When we purchase the computer the tickets will be logged immediately upon distribution from the Mayor to the Officer. The Chief of Police is revising his police to read that when an officer writes a ticket it is turned into the dispatcher who will at that time enter the ticket information onto the computer and then file them in numerical order in a fire-proof cabinet with limited assessability. All paid tickets and tickets sent to District Court will be input by the Dispatcher. All unpaid tickets sent to State will be input by the Clerk of Court in City Hall. The Misdemeanor Summonses will be handled in the same fashion. All tickets and summonses will be checked on the computer to be sure they have been turned in before any additional books are issued. The Chief of Police also added to his policy that no Officer is to Void or tamper with a ticket or they will be subject to a fine by the Mayor's Court and possible dismissal by the Governing Authority. All tickets and summonses sent to District Court will be documented and sent with a letter of transmittal, of which a copy will be made for our files. Fine Payable folders will be combined and checked on monthly.

## II. Need to Improve Controls over Receipts and Disbursements

The employees who collect the utility bills now have their own cash drawers and no other employee in City Hall has access to them. These two employees will balance out their cash drawers every morning and then give the deposit to one of the employees who has no cash receipt responsibility to make the deposit and record in the cash book. A fourth employee will bring the deposit to the bank. We are checking into purchasing a dual control check signing machine. We have also assigned another employee other than the one who inputs the invoices in accounts payable, to print the checks and mail them.

Port of Vinton - Inland Waterway to The Great Gulf Coast

We will issue 1099 for all legal services over \$600.00, however as per our Accountant and Auditor they are incorporated and are therefore exempt. We are in the process of adopting a written procurement policy.

III. Need to Obtain Quotes of Large Purchases

We will be obtaining quotes for large purchases. We will attach the quotes to the invoice so they will be on record.

IV. Need to Improve Controls over Utility Accounts and Meter Deposits

We are working on procedures to reconcile account receivable in the General Ledger with detailed account receivable on a monthly basis and also the Meter Deposit account.

V. Need to Improve Town's Gasoline Pump Procedures.

As to the fact that we are not in compliance with EPA guidelines for underground tank storage, we are shutting down our pumps and will be purchasing gas elsewhere.

VI. Controls over Payroll Need to Be Improved

We will maintain form I-9 Employment eligibility verification on all employee's hired after 11-6-86. We will also post employee pay rate/salary in their personnel folder.


VII. Fixed Asset Records Should Be Complete

We will define by policy a minimum to be included on fixed asset list, take annual physical inventory, tag all inventory and keep list up dated on a monthly bases.

Please let me know if these responses are not adequate, so that we may look into other possible procedures.

Thanking you in advance for your attention in this matter, I remain,

Sincerely,

  
Raywood LeMaire, Mayor  
Town of Vinton

CRL/mv



*"Gateway to the Teche Country"*

RAYWOOD LEMAIRE  
MAYOR

MARY VICE  
CLERK, TREASURER, TAX COLLECTOR

DENNIS D. DROUILLARD  
CHIEF OF POLICE

# TOWN OF VINTON

1200 HARRIDGE STREET  
PHONE (318) 589-7453 • FAX (318) 589-6127  
VINTON, LA 70868

ALDERMEN  
DONALD B. DUPRE, SR.  
JESSE MENARD  
GARLAND D. MILLER  
DAVID T. RIGGINS  
WAYNE P. SMITH, II

January 20, 1999

State of Louisiana  
Legislative Auditor  
1600 N. Third Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Attn: Grover Austin

Dear Mr. Austin:

I am writing this letter, on the advice of auditors Mires & Company, CPAs, APC to inform you of a matter that occurred on January 18, 1999.

On Monday, January 18, 1999, it was determined that \$694 was missing from deposits of fines paid to the police department during the month of December 1998. The funds and the receipt for the total amount are missing. The police department could not produce the required receipt necessary when deposits are transferred between that department and the Town's administrative office. Due to this fact and the fact that there is a copy of the prenumbered fine receipt filled out by the police department, I believe the money was lost or misappropriated in the police department.

To prevent this from occurring again, the police chief and I have agreed that the following actions will be taken:

1. The area where fines are paid will be isolated by a locked door and no admittance will be allowed other than the dispatcher who receives the fines.
2. A lock box will be utilized into which all funds will be deposited and only the dispatcher on duty will have a key.
3. The lock box will be counted when shift changes and both dispatchers will sign as to correctness.
4. When the funds are transferred from lock box to the police officer responsible for daily deposits a signed receipt will be issued.

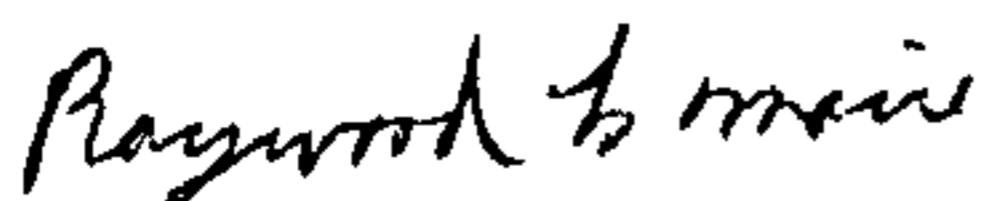
*Port of Vinton - Inland Waterway to The Great Gulf Coast*

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5. Fines will be transferred daily to the Town's administrative department for recording and deposit.
6. A signed receipt will be required when funds are transferred between the police department and the Town's administrative department verifying the amount.
7. The Town administrative staff will verify that there are no missing receipt numbers.
8. Admittance to police department will be restricted to only police department employees.

The matter of polygraph tests administered to all police department personnel is also being considered.

Sincerely,



Raywood LeMaire, Mayor  
Town of Vinton