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### Independent Accountant's Report On Applying Agreed-Upon Procedures

MEMBER AMERICAN  
INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC  
ACCOUNTANTS

PRACTICE LIMITED TO  
GOVERNMENTAL  
ACCOUNTING, AUDITING  
AND FINANCIAL REPORTING

President and Board Of Commissioners  
Caldwell Parish Hospital Service District  
Columbia, LA 71418

I have performed the procedures enumerated below, which were agreed upon by the President and board of commissioners of Caldwell Parish Hospital Service District solely to assist the users in evaluating the propriety of certain transactions. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

In connection with this engagement, the following specified procedures were performed:

*Examine all credit card transactions. In reviewing those transactions, determine whether those transactions were for business of the district or personal purchases of the administrator or others. If for personal purchases, determine if the district was repaid for such.*

Credit cards were issued to the administrator and four other employees. Credit card statements, charges, and payments were examined for the months of April, 1997 through March, 1998, with the following noted.

1. A total of \$49,623 was charged on credit cards during the period examined. Of that amount, \$3,457 was, according to the administrator, personal charges made by him. Those amounts were paid by the administrator each month with his personal check. Personal charges on the hospital's credit charge are a violation of Article VII, Section 14 of the Louisiana Constitution of 1974. That section of the constitution prohibits, among other things, the loaning of money to any individual. Personal charges on a credit card are, in effect, a loan to the individual until the charges are paid by the individual.

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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.

Release Date 4/11/98

2. Of the \$46,166 (\$49,623 - 3,457) in charges paid by the hospital, no invoice or other support was available for \$14,325 or 31% of total charges paid by the hospital.
3. In connection with the unsupported charges noted above, a review of the types of vendors (service stations, restaurants, stores, etc.) indicated that at least \$3,659, or 7% of total hospital charges, were charges that could have been personal or hospital charges. However, without supporting documentation, it is not possible to determine which type of charge they actually were.

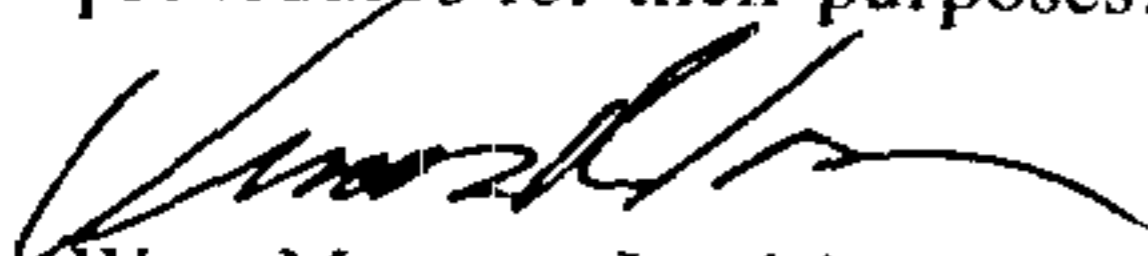
*Determine if any payments were made for late payment penalties or interest.*

1. During the period, the district paid one late fee on one credit card. The total late fee paid was \$20.
2. During the period, the district paid finance charges on two occasions. The total amount of interest paid was \$39.

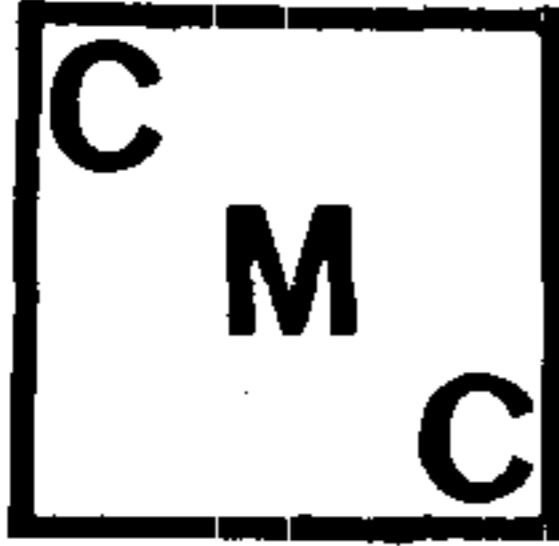
#### GENERAL

I was not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of the specified users noted above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.



West Monroe, Louisiana  
March 16, 1999



# CITIZENS MEDICAL CENTER

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April 8, 1999

Legislative Audit Advisory Council  
Daniel G. Kyle, Secretary  
P. O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Kyle:

The following is Caldwell Parish Hospital Service District's corrective action plan for agreed upon procedures report issued by Vernon R. Coon, CPA, dated March 16, 1999.

1. On July 27, 1998, the board adopted a policy which prohibits the use of Hospital District credit cards for personal charges.
2. On the above date the board also adopted a policy which provides that the district will only pay for credit card charges which are supported by an original invoice or other appropriate documentation.
3. No credit cards are retained by employees. Credit cards are now kept under lock and are only issued when they are actually to be used by an employee, i.e. travel on district business, etc.
4. The board's finance committee, on a random basis, reviews all monthly charges on credit cards. The review determines that the charge was a legitimate expense of the district and is properly supported.

The hospital service district assures the advisory council that the problems noted in the agreed upon procedures report have been addressed and corrected. Further, the adopted policies and the finance committee's reviews will ensure that there is no reoccurrence in the future.

Respectfully,

  
Leon Basco, Chairman

Caldwell Parish Hospital Service District  
April 8, 1999