

# LEGISLATIVE AUDITOR

## STATE OF LOUISIANA

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### CITY OF VILLE PLATTE

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AUDIT REPORT  
ISSUED JULY 21, 2004

**LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
BATON ROUGE, LOUISIANA 70804-9397**

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**LEGISLATIVE AUDITOR**

STEVE J. THERIOT, CPA

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STEVE J. THERIOT, CPA  
LEGISLATIVE AUDITOR

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July 21, 2004

**HONORABLE PHILLIP A. LEMOINE, MAYOR**  
**HONORABLE ROMEO HARGROVE, POLICE CHIEF,**  
**AND MEMBERS OF THE CITY COUNCIL**  
**CITY OF VILLE PLATTE**  
Ville Platte, Louisiana

We visited the City of Ville Platte (city) on March 19, 2004, to review the city's disposition of the management letter comments reported in the city's June 30, 2003, audit relating to the police department. During our visit to the city, we also reviewed other matters relating to the police department that came to our attention. We provided verbal guidance to the mayor and police chief for resolving the management letter comments and the other matters/findings.

On May 19, 2004, we returned to the city to determine whether the management letter comments and other findings were resolved. The accompanying summary provides the status of the findings resulting from our visits to the city. Mayor Phillip Lemoine's response is included as Attachment 1 and Police Chief Romeo Hargrove's response is included as Attachment 2. We will continue to monitor the findings until they are resolved.

Our examination was substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Copies of this letter and all attachments have been delivered to the council members of the city and other authorities as required by state law.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steve J. Theriot".

Steve J. Theriot, CPA  
Legislative Auditor

ESS:GLM:ss

Attachments

[VP04]



## DISPOSITION OF FINDINGS

The following details our findings from our initial visit to the city on March 19, 2004, and the disposition of those findings as of the date of our subsequent visit on May 19, 2004.

<b>Finding As of March 19, 2004</b>	<b>Disposition As of May 19, 2004</b>
<u>Management Letter Comments (made by the city's auditor in a letter dated September 3, 2003)</u>	
1. Bank statements for police accounts must be maintained and given to the bookkeeper at city hall to record activity in the accounts on a monthly basis.	Resolved. Although the original bank statements, including canceled checks, are missing for 21 of the 26 months selected for review (January 2002 through February 2004), the city obtained copies from the bank and maintains them on file at city hall.
2. Invoices for all purchases of supplies must be maintained and given to the bookkeeper at city hall.	Unresolved. Paid invoices, totaling \$3,844, are missing for 47 disbursements made from the checking account during the period from January 1, 2002, through February 29, 2004.
3. All fees, grants, and revenues collected must be documented with a receipt and deposited in a checking account maintained by city hall personnel.	Partially Resolved. The police department is prohibited from collecting city fees, with the exception of bonding fees received after business hours. The bonding fees collected after business hours are taken to city hall, by the city marshal, the next business day for deposit and recordation in the city's general fund. However, police department personnel do not always prepare receipts to document the bonding fees collected.
4. Funds needed for supplies and drug buy operations should be withdrawn from the checking account to provide an audit trail.	Resolved. The police department no longer maintains a petty cash fund.
5. Only authorized personnel should make disbursements of city funds.	Resolved. Police department personnel are removed as signatories on city accounts.
<u>Other Police Department Matters That Came to Our Attention</u>	
1. There is little control over receipts and disbursements at the police department, as follows:	
<u>Receipts</u>	
• There is no written policy for charging bonding fees and accident report fees.	Unresolved.



<p style="text-align: center;"><b>Finding</b> <b>As of March 19, 2004</b></p>	<p style="text-align: center;"><b>Disposition</b> <b>As of May 19, 2004</b></p>
<ul style="list-style-type: none"> <li>• The collection/receipt records are not pre-numbered and the receipt books are discarded and not maintained as generally required by law.<sup>1</sup></li> <li>• Monies maintained in the petty cash fund are not reconciled and balanced to an established cash balance.</li> </ul>	<p>Resolved. Pre-numbered receipts are used for collections and copies are maintained at city hall.</p> <p>Resolved. All monies on-hand (\$4,346) were deposited in a city bank account and a petty cash fund is no longer maintained at the police department.</p>
<p><u>Disbursements</u></p> <ul style="list-style-type: none"> <li>• The mayor is not a signatory on the police department's checking account and the account is not in the name of the city.</li> <li>• The police department does not prepare a monthly accounting and reconciliation of the cash activity (receipts and disbursements) related to its narcotics operations.</li> <li>• The police chief does not monitor the transactions in the checking account or the activity in the petty cash fund.</li> <li>• The police department's financial records are incomplete. Records (cash disbursement journal, bank reconciliations, etc.) were not prepared to document and account for the expenditure of fees collected.</li> <li>• A total of \$987 was paid for flowers, food, and donations, all of which payments are generally prohibited by Louisiana's constitution.<sup>2</sup></li> </ul>	<p>Resolved. The police department's checking account is closed and all monies (\$2,098) were withdrawn and deposited in a city bank account.</p> <p>Unresolved.</p> <p>Resolved. The police department's checking account is closed and the petty cash fund is no longer maintained.</p> <p>Resolved. The city maintains adequate financial records of expenditures.</p> <p>Resolved. The checking account is closed and management of the city is aware of the types of payments that are generally prohibited by Louisiana's constitution.</p>

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<sup>1</sup> Louisiana Revised Statute 44:36(A) provides that all persons and public bodies having custody and control of any public record shall exercise diligence and care in preserving the public record for the period or periods of time specified for such public records in formal record retention schedules developed and approved by the state archivist and director of the division of archives, records management, and history of the Department of State. However, in all instances in which a formal record retention schedule has not been executed, such public records shall be preserved and maintained for a period of at least three years from the date on which the public record was made.

<sup>2</sup> Article VII, Section 14(A) of the Louisiana Constitution of 1974 provides that the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.



<p style="text-align: center;"><b>Finding</b> As of March 19, 2004</p>	<p style="text-align: center;"><b>Disposition</b> As of May 19, 2004</p>
<p>2. The police chief is not exercising adequate control over credit cards used by police department employees for purchasing gasoline as follows:</p> <ul style="list-style-type: none"> <li>• There is no written policy or procedures for using credit cards.</li> <li>• There is no inventory control listing of the 20 gasoline credit cards and personal identification numbers (PIN) assigned to police department employees. In addition, we found the following: <ul style="list-style-type: none"> <li>• There are eight gas cards missing.</li> <li>• A local gas station possessed one of the gas cards.</li> <li>• The PINs assigned to four former police department employees are active.</li> </ul> </li> <li>• The gasoline bills are not reviewed and approved by the police chief before payment by the city. <ul style="list-style-type: none"> <li>• There is no documentation of the reason(s) for policemen making multiple gasoline purchases on the same day.</li> <li>• There is no documentation of the reason(s) for gasoline being charged to a police sergeant's card on two days that he did not work.</li> <li>• Policemen do not always record the odometer readings when fueling, resulting in "zero" miles per gallon data on the billing statement.</li> </ul> </li> </ul>	<p>Unresolved.</p> <p>Resolved. The city canceled all gas cards and PINs of the police department. The city requested the gasoline company to issue two new cards (including PINs) in the name of the police chief. The police chief will maintain the cards and the city will maintain the records.</p> <p>Resolved. The city canceled the gas cards.</p> <p>Resolved. The city canceled the gas card.</p> <p>Resolved. The city canceled the PINs.</p> <p>Unresolved.</p> <p>Unresolved.</p> <p>Unresolved.</p> <p>Unresolved.</p>



<p style="text-align: center;"><b>Finding</b> As of March 19, 2004</p>	<p style="text-align: center;"><b>Disposition</b> As of May 19, 2004</p>
<p>3. The police department does not maintain detailed, written policies and procedures for the following:</p> <ul style="list-style-type: none"> <li>• Storing, issuing, and accounting for traffic tickets</li> <li>• Recording, maintaining, and disposing confiscated weapons and drugs</li> <li>• Safeguarding funds used for drug enforcement activities</li> </ul> <p>4. The police chief did not obtain the mayor’s or city clerk’s approval for police department purchases greater than \$500, as required by the city’s <i>Purchase Order Procedures</i>.</p> <p>5. The police chief did not always document his approval or the reasons for overtime worked by policemen in accordance with the city’s <i>Overtime Policy</i>.</p>	<p>Unresolved.</p> <p>Unresolved.</p> <p>Unresolved.</p> <p>Partially resolved. The police chief is obtaining approval but not on a consistent basis.</p> <p>Resolved.</p>











# CITY OF VILLE PLATTE

PHILLIP A. LEMOINE, MAYOR

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July 5, 2004

Office of Legislative Auditor  
State of Louisiana  
P.O. Box 94397  
Baton Rouge, Louisiana 70804-9397

Dear Mr. Theriot,

Thank you for an opportunity to respond to the preliminary draft report of your office's review of the Police Department's records for the City of Ville Platte.

Please accept this letter as a response, in writing, to the preliminary draft report, Attachment 2. I further understand that any written comments provided by the City Administration by July 9, 2004, will be incorporated in the final report.

Sincerely,

Phillip A. Lemoine, Mayor

Enclosure

Cc: City Clerk Nina David

C. J. DARDEAU  
DISTRICT A

CAROL  
ALFRED  
DISTRICT B

JAMES D.  
BORDELON  
DISTRICT C

FREDDIE JACK  
DISTRICT D

EARL  
EDWARD  
DISTRICT E

BILL  
JEANMARD  
DISTRICT F

CHARLES  
TATE  
CITY ATTORNEY

NINA D. DAVID  
CITY CLERK

ROD LAFLEUR  
DEPUTY CLERK/  
CITY TREASURER

## FINDINGS AS OF MARCH 19, 2004

### Management Letter Comments (made by the city's auditor in a letter dated September 3, 2003):

3. All fees, grants, and revenues collected must be documented with a receipt and deposited in a checking account maintained by city hall personnel.

Disposition As of May 19, 2004: Partially Resolved. The police dept. is prohibited from collecting city fees, with the exception of bonding fees received after business hours. **The bonding fees collected after business hours are taken to city hall, by the city marshal, the next business day for deposit and recordation in the city's general fund.** However, police department personnel do not always prepare receipts to document the bonding fees collected.

Response: **The bonding fees collected after business hours are collected by the police department and are taken to city hall, by the city marshal, every Friday for deposit and recordation in the city's general fund.** However, we feel it is important to have someone at the police department held accountable for preparing numbered receipts and this person should be able to account for missing or spoiled receipts.

5. Only authorized personnel should make disbursements of city funds.

Disposition: Resolved. The police department no longer maintains a Petty cash fund.

Response: As of May 19, 2004, to our knowledge, there are no bank accounts opened under the police department's name.

### Other Police Department Matters That Came To Our Attention:

1. There is little control over receipts and disbursements at the police department, as follows:

#### Receipts:

\*There is no written policy for charging bonding fees and accident report fees.

Disposition As of May 19, 2004: Unresolved.

Response: The written procedure or policy for collecting accident and bonding fees has been established by the city clerk and published in the legal journal. Please refer to letter attached outlining the procedure/policy established by the city clerk

and signed by the city marshal, city clerk, police chief and mayor. Please note that this policy holds the city marshal and city hall accountable only during normal business hours.

\*The collection/receipt records are not pre-numbered and the receipt books are discarded and not maintained as generally required by law.

Disposition: Resolved. Pre-numbered receipts are used for collections and copies are maintained at city hall.

Response: Upon receiving the bond collection receipts and monies collected by the police department after hours and on weekends, it has been noted in the city marshal's log book receipts that are not listed, missing, spoiled, etc., but not noted in the police department's receipt books.

\*Monies maintained in the petty cash fund are not reconciled and balanced to an established cash balance.

Disposition: Resolved. All monies on-hand (\$4,346) were deposited in a city bank account and a petty fund is no longer maintained at the police department.

Response: As of May 19, 2004, to the best of our knowledge, there is no petty cash fund in our police department.

#### Disbursements

\*The mayor is not a signatory on the police department's checking account and the account is not in the name of the city.

Disposition: Resolved. The police department's checking account is closed and all monies (\$2,098) were withdrawn and deposited in a city bank account.

Response: As of May 19, 2004, to the best of our knowledge, there is no petty cash fund in our police department.

\*The police chief does not monitor the transactions in the checking account or the activity in the petty cash fund.

Disposition: Resolved: The police department's checking account is closed and the petty cash fund is no longer maintained.

Response: City Hall can only maintain financial records of expenditures only if the accounts are under city hall control.

\*A total of \$987 was paid for flowers, food, and donations, all of which payments are generally prohibited by Louisiana's constitution.

Disposition: Resolved. The checking account is closed and management of the city is aware of the types of payments that are generally prohibited by Louisiana's constitution.

Response: The city is well aware of the types of purchases that are legal but cannot control accounts operated by the police department.

Finding As of March 19, 2004

2. The police chief is not exercising adequate control over credit cards used by police department employees for purchasing gasoline, as follows:

\*There is no written policy or procedures for using credit cards.

Disposition As of May 19, 2004: Unresolved.

Response: To the best of our knowledge, as of May 19, 2004, the police chief is in possession of three gas credit cards under his name only. These cards are housed at his office and issued by him only for usage. The police chief has verbally advised the city that he will develop a policy for credit card usage.

\*Chief's Response.

\*Chief's Response.

\*Chief's Response.

\*Chief's Response.

\*The gasoline bills are not reviewed and approved by the police chief prior to payment by the city.

Disposition: Unresolved.

Response: Chief's Response. The City Administration will continue to review gasoline bills for questionable purchases.

4. The police chief did not obtain the mayor's or city clerk's approval for police department purchases greater than \$500, as required by the city's Purchase Order Procedures.

Disposition: Partially resolved. The police chief is obtaining approval but not on a consistent basis.

Response: As of July 6, 2004, the police chief is obtaining approval but not on a consistent basis.

5. The police chief did not always document his approval or the reasons for overtime worked by policemen in accordance with the city's overtime policy.

Disposition: Resolved.

Response: As of July 6, 2004, the police chief is documenting overtime police department.







**The Honorable: Steve J. Theriot, CPA  
Legislative Auditor**

**Attachment 1- Page  
Finding as of March 19, 2004**

**Item 2.  
Invoices for all purchases of  
supplies must be maintain and given  
to book keeper by City Hall Personnel.**

**Item 3.  
All fees, grant, and revenues collected  
Police  
must be documented with receipt and  
deposited in a checking maintained by  
City Hall Personnal.**

**Attachment 1- Page 2.**

**Item 1.  
Controll over receipts and disbursement  
as followed:  
A. No written policy for charging  
burning fees and accident report fees.**

**Disbursement:  
Monthly Accounting and Reconciliation of  
cash activity related to Narcotics Operation.**

**Item 2.  
Control over Credit Card.  
A. Written policy for using  
Credit Cards.**

**Gasoline Bills are not reviewed  
and approved by the Chief**

**Policemen making multiple gas  
purchases on the same day.**

**No Documentation of the reason  
gas was charged to a sergeant's  
cars on two days that he did not work.**

**Disposition as of May 19, 2004**

**A request will be made to the  
Mayor to recieve a complet back  
statement.**

**This has been resolved. The  
Depatment only collect bonding  
fees by money orders only.  
Made payable to the City  
Marshall with receipts.**

**Resolve, Bond fees is set by City  
Court. Accident report \$7.00 fee  
is set by the Chief.**

**Resovle, Written policy is  
in place. And monthly activity  
sheel is being given to  
pesonnel.**

**Resovle, all Credit Cards had  
been cancelled.**

**Resovle, all bills was sent to  
City Hall for payment. By the  
Ventors Officers' Daily Receipts  
was reviewed by the Chief.  
And at all times, all gasoline  
is provided by the city at the  
City Barn.**

**Officers change units and must  
refuel. Officers stay over on street  
shifts and must refuel units.**

**Unresolved.**

**Policemen do not always record the odometer reading when fueling.**

**Item 3.**

**Written policies and procedures for the following:**

**Storing, Issuing, and Accounting for traffic tickets**

**Recording, Maintaing, and Disposing of confiscated weapons and drugs.**

**Safe guarding funds used for drug enforcement activites.**

**Purchase order procedures approval from the Mayor or City Clerk for purchases over \$500.00**

**Resolved: Some of the units odometer do not work.**

**Resolved: Storing of tickets is recorded in the logbook. By numbers and by officers. Information is also log in stating who recieved the ticket address, date, and offense.**

**Resolved  
A recording of weapons is made from the time of confiscation. Until the weapon is award through the court to the owner or destroyed by court order.  
Drugs are loged in and maintain by the assigned evendents constoial. And destroyed by court order.**

**Resolved, the moveable safe will be achord to the floor.**

**Resolved- Only service to the Police Department that exceeds \$500.00. Is unknown chages for Inmates Medical Care Police Units Mainance And emergence unfor seen.**