



Report Highlights

Town of Gibsland

MICHAEL J. "MIKE"
WAGUESPACK, CPA

Audit Control # 50220004
Investigative Audit Services • October 2022

Why We Conducted This Audit

We initiated this audit after we received multiple complaints regarding the Town of Gibsland's (Town) use of funds from the American Rescue Plan Act of 2021.

What We Found

- The Town may have violated state law since it could not provide records to demonstrate a properly-adopted budget for fiscal year ended June 30, 2022.
- Town of Gibsland Mayor Ray Ivory and Alderman Julius Pearson appear to have violated state law by disregarding requirements of the Local Government Budget Act, Lawrason Act, and Public Bid Law in the performance of their duties. Mayor Ivory and Alderman Julius Pearson signed Town checks to pay unbudgeted and unauthorized salary incentives to elected officials and Town employees without a board-approved budget or an ordinance to increase pay for the elected officials and Town clerk. Mayor Ivory and Alderman Julius Pearson also signed Town checks to purchase three vehicles for the Town without a board-approved budget and without advertising the purchase for bid.
- Town Clerk Rockettia Brown works part-time for the Town of Gibsland and full-time as the Town of Arcadia's clerk. According to the Town of Gibsland's QuickBooks (accounting software) records, Ms. Brown was paid for 80 hours of work bi-weekly (full-time) until February 4, 2019, when her hours were reduced to 45 hours bi-weekly (part-time). Ms. Brown's payroll records stopped showing the number of hours worked after August 19, 2019. Mayor Ivory did not set a part-time schedule for her, and there is no record of hours she worked. Since the Mayor does not require Ms. Brown to work a specified number of hours or keep records of the hours she works, but authorizes her to receive the full budgeted amount, he may have violated the state constitution and state law.
- The Town's last annual audit was for the fiscal year ended June 30, 2020. Mayor Ivory is responsible for ensuring the Town completes its annual audit of its financial statements and submits the audit to the Louisiana Legislative Auditor no later than six months after the end of the fiscal year. Since the Town did not complete its audit in a timely manner, Mayor Ivory may have violated state law.
- The Town currently operates under the Lawrason Act (La. R.S. 33:321, *et seq.*) as a town and has five elected aldermen. Federal census data indicates that Gibsland has had fewer than 1,001 inhabitants since at least 2010. Based on this information, the Town should be classified as a village and have only three elected aldermen. Because the Town has had less than 1,001 inhabitants since at least 2010 and did not adopt a resolution requesting the governor to change its classification, the Town may have violated state law.

View the full report, including management's response, at www.lla.la.gov.