



# REPORT TO THE CITY COUNCIL AND LOUISIANA LEGISLATIVE AUDITOR BY THE CITY INTERNAL AUDITOR

## INDEPENDENT INTERNAL AUDITORS' REPORT ON APPLYING AGREED-UPON PROCEDURES FOR THE YEAR ENDED DECEMBER 31, 2017

### INTERNAL AUDIT REPORT (IAR) 280118-02

June 29, 2018

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**Leanis L. Steward**  
City Internal Auditor

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<b>Report Highlights</b>	<b>Page(s)</b>
• Exceptions were reported for 14 of the 33 procedures	3 – 17
• No exceptions were reported for 19 of the 33 procedures	3 – 17



The Council  
City of Shreveport

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June 29, 2018

Councilman Jerry Bowman, Jr.  
Chairman, Shreveport City Council

Dear Councilman Bowman:

Subject: IAR 280118-02 – Independent Internal Auditors' Report on Applying Agreed-Upon Procedures for the Year Ended December 31, 2017

Attached please find the report mentioned above. Management comments are included in the report.

Sincerely,

Leanis L. Steward, CPA, CIA  
City Internal Auditor

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## **Independent Internal Auditors' Report On Applying Agreed-Upon Procedures For the Year Ended December 31, 2017**

City of Shreveport City Council Members  
Shreveport, Louisiana  
And the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by management of the City of Shreveport (City) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The City's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with United States generally accepted government auditing standards which incorporate attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we 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.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

The procedures and associated findings are as follows.



**PROCEDURES TO BE PERFORMED IN CONNECTION WITH LOUISIANA LEGISLATIVE AUDITOR STATEWIDE AGREED-UPON PROCEDURES**

Agreed - Upon Procedures	Results of Procedures
<b>Written Policies and Procedures</b>	
<p>1. Obtain the entity’s written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:</p> <p>a) <b>Budgeting</b>, including preparing, adopting, monitoring, and amending the budget.</p> <p>b) <b>Purchasing</b>, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.</p> <p>c) <b>Disbursements</b>, including processing, reviewing, and approving.</p> <p>d) <b>Receipts</b>, including receiving, recording, and preparing deposits.</p> <p>e) <b>Payroll/Personnel</b>, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.</p> <p>f) <b>Contracting</b>, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.</p> <p>g) <b>Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)</b>, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.</p>	<p>The following was noted during review of the written policies and procedures:</p> <p>a) <b>Budgeting:</b> There is no written administrative policy/procedure on preparing, adopting, and monitoring the budget. However, the City Charter does address the preparation and adoption but, not monitoring of the budget. There is a policy/procedure for amending the budget.</p> <p>b) <b>Purchasing:</b> Manual is outdated and needs updating. Also, the Administrative Procedure dated June 29, 2015 is inserted in the manual without a signature.</p> <p>c) <b>Disbursements:</b> No manual provided because manual needed to be updated.</p> <p>d) <b>Receipts:</b> No manual provided because manual needed to be updated.</p> <p>e) <b>Payroll/Personnel:</b> The City has a Personnel Rules and Regulations manual but it does not address Payroll Processing.</p> <p>f) <b>Contracting:</b> Is located in the Purchasing manual, which needs updating.</p> <p>g) <b>Credit Cards:</b> No exceptions noted in the procedures performed.</p>



**PROCEDURES TO BE PERFORMED IN CONNECTION WITH LOUISIANA LEGISLATIVE AUDITOR STATEWIDE AGREED-UPON PROCEDURES**

<b>Agreed - Upon Procedures</b>	<b>Results of Procedures</b>
<p>h) <b>Travel and expense reimbursement</b>, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.</p> <p>i) <b>Ethics</b>, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.</p> <p>j) <b>Debt Service</b>, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.</p>	<p>h) <b>Travel and expense reimbursements:</b> No exceptions noted in the procedures performed.</p> <p>i) <b>Ethics:</b> The City does not have a written ethics policy. However, the Personnel Rules and Regulations manual addresses Code of Governmental Ethics but it does not include all the prohibitions, a system to monitor possible ethics violations, and requirement that all employees sign attesting they have read the ethics policy.</p> <p>j) <b>Debt Service:</b> City does not have a written debt service policy, but has processes in place to comply with federal, state, and local debt laws.</p> <p><b>Management Response:</b> Management concurs and will work on preparing and or updating policy and procedures.</p>
<b>Board (or Finance Committee, if applicable)</b>	
<p>2. Obtain and review the board/committee minutes for the fiscal period, and:</p> <p>a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.</p> <p>b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).</p> <ul style="list-style-type: none"> <li>➤ If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.</li> </ul>	<p>The council minutes did not reference or include from January 2017 to October 2017 the monthly budget to actual comparisons. However, the Finance Director provided the budget to actual comparisons to city council members, mayor, CAO and other department heads monthly. City Council Meeting Agendas for November 14 and 28 and December 12 and 22, 2017 did include the monthly budget to actual comparisons as an agenda item.</p> <p><b>Management Response:</b> Management concurs and will continue to provide a budget to actual report to City Council for their review each month as required by resolution.</p>



**PROCEDURES TO BE PERFORMED IN CONNECTION WITH LOUISIANA LEGISLATIVE AUDITOR STATEWIDE AGREED-UPON PROCEDURES**

<b>Agreed - Upon Procedures</b>	<b>Results of Procedures</b>
<p>c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.</p>	
<b>Bank Reconciliations</b>	
<p>3. Obtain a listing of client bank accounts from management and management’s representation that the listing is complete.</p>	<p>No exceptions noted in the procedures performed.</p>
<p>4. Using the listing provided by management, select all of the entity’s bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement. For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:</p> <p>a) Bank reconciliations have been prepared;</p> <p>b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and</p> <p>c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.</p>	<p>Six Bank Accounts were selected for testing. The following exceptions were noted:</p> <ul style="list-style-type: none"> <li>• <b>United Healthcare Bank Account at Bank of America and United Healthcare Bank Account at Capital One</b> did not have evidence of review by the Controller for the month of September 2017.</li> <li>• <b>Golf Fund Bank Account</b> did not have evidence of review by the Finance Director for the months of June, July, and August 2017.</li> </ul> <p><b>Management Response:</b>  <b>Management concurs and will make sure that all bank accounts are reconciled in a timely manner and that they are reviewed by the Controller.</b></p>
<b>Collections</b>	
<p>5. Obtain a listing of cash/check/money order (cash) collection locations and management’s representation that the listing is complete.</p>	<p>No exceptions noted in the procedures performed.</p>
<p>6. Using the listing provided by management, select all of the entity’s cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is</p>	<p>Five Cash Collection locations were selected for testing. The following exceptions were noted:</p> <p><b>Querbes Golf Course:</b> The same person collects and</p>



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Agreed - Upon Procedures	Results of Procedures
<p>a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement. For each cash collection location selected:</p> <p>a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person is responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.</p> <p>b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.</p> <p>c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:</p> <ul style="list-style-type: none"> <li>➤ Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.</li> <li>➤ Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.</li> </ul>	<p>deposits cash. No compensating controls performed by outside party. Funds were deposited within 2 to 4 business days.</p> <p><b>Huntington Golf Course:</b> The same person collects and deposits cash. No compensating controls performed by outside party. Funds were deposited within 2 business days.</p> <p><b>Wildwood Event Center:</b> Two persons both collect and deposit cash. No compensating controls performed by outside party. Funds were deposited within 1 business day.</p> <p><b>Landfill:</b> Funds were deposited within 2 to 3 business days.</p> <p><b>City Cashier:</b> Two persons both collect and deposit cash. No compensating controls performed by outside party. <i>(Note: The City Cashier is responsible for depositing revenue that is received directly from customers as well as revenue that is received and submitted by other city departments.)</i></p> <p>Funds were deposited within 2 - 25 business days. Specifically, 1 revenue receipt consisting of six checks was not deposited until 25 business days. <i>(Revenue receipts were originally received by another city department, and then submitted to the City Cashier for deposit.)</i></p> <p>Two revenue receipts were not deposited until 7 business days <i>(Revenue receipts were originally received by another city department, and then submitted to the City Cashier for deposit.)</i></p> <p>Ninety-four revenue receipts were deposited within 2 to 4 business days.</p> <p><b>Management Response:</b> <b>Management will review procedures for cash collections and meet with each area that collect monies to verify the procedures are being followed.</b></p>



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<b>Agreed - Upon Procedures</b>	<b>Results of Procedures</b>
<p>7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.</p>	<p>For all 5 cash collection locations tested, there is no written documentation specifically defined to determine the completeness of all collections by a person who is not responsible for collections.</p> <p><b>Management Response:</b> Management will review procedures for these activities to ensure that written policies and procedures exist and are being followed.</p>
<p><b>Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)</b></p>	
<p>8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management’s representation that the listing or general ledger population is complete.</p>	<p>No exceptions noted in the procedures performed.</p>
<p>9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:</p> <p>a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.</p> <p>b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.</p> <p>c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; (2) a receiving report showing receipt of goods purchased, or electronic equivalent; and (3) an approved invoice.</p>	<p>None of the items tested included a receiving report because the City’s purchasing manual does not require such documentation.</p> <p><b>Management Response:</b> Purchase of less than \$1,000.00 do not require a PO per City policy. All payments require two approvals before payment can be made on any invoice. Each payment requires a copy of the invoice to be provided before a payment can be made. Management will look at its procedures on its disbursements.</p>



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<p><b>10.</b> Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.</p>	<p>There is no policy or procedure that prohibits a person responsible for processing payments to add/create a vendor and security access controls did not prohibit persons from adding vendors and processing payments.</p> <p><b>Management Response:</b> Only persons in purchasing department can add or make changes to vendors, management will create official policy stating this.</p>
<p><b>11.</b> Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.</p>	<p>Per Controller, there is no documentation that reports whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating/recording purchases. Per Finance Director, those with signatory authority can initiate but, they cannot approve. It has to go through the Accounts Payable Process. There are multiple users that have access in the Logos system to print checks but are not authorized to print checks.</p> <p><b>Management Response:</b> There are only two persons who have the ability to print checks and neither of them can process a payment. While they may be able to initiate a paying document they cannot approve the payment or finalize the process.</p>
<p><b>12.</b> Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions.</p>	<p>No exceptions noted in the procedures performed.</p>



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<p>Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.</p>	
<p>13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.</p>	<p>No exceptions noted in the procedures performed.</p>
<b>Credit Cards/Debit Cards/Fuel Cards/P-Cards</b>	
<p>14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management’s representation that the listing is complete.</p>	<p>No exceptions noted in the procedures performed.</p>
<p>15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.</p> <p>Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:</p> <p>a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported].</p>	<p>Six credit cards had no evidence that monthly statement and supporting documents were reviewed and approved in writing by someone other than the authorized card holder.</p> <p><b>Management Response:</b>  <b>City policy states that a card administer in each department is to approve all credit card statements. Management will work with each department to make sure that procedure in being followed.</b></p>



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<b>Agreed - Upon Procedures</b>	<b>Results of Procedures</b>
<p>b) Report whether finance charges and/or late fees were assessed on the selected statements.</p>	
<p><b>16.</b> Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).</p> <p>a) For each transaction, report whether the transaction is supported by:</p> <ul style="list-style-type: none"> <li>➤ An original itemized receipt (i.e., identifies precisely what was purchased).</li> <li>➤ Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.</li> <li>➤ Other documentation that may be required by written policy (e.g., purchase order, written authorization).</li> </ul> <p>b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.</p> <p>c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.</p>	<p>One credit card did not have an itemized receipt for a hotel charge of \$202.</p> <p>Eight credit cards had no documentation of business/public purpose therefore could not determine if the purchases violated Article 7 Section 14 of constitution.</p> <p>No receipts are maintained for Fuelman Cards.</p> <p><b>Management Response:</b> Each credit card charge is suppose to have an itemized receipt according to City policy. Management will work with departments to make sure policy is being followed.</p>
<b>Travel and Expense Reimbursement</b>	
<p><b>17.</b> Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger</p>	<p>No exceptions noted in the procedures performed.</p>



**PROCEDURES TO BE PERFORMED IN CONNECTION WITH LOUISIANA LEGISLATIVE AUDITOR STATEWIDE AGREED-UPON PROCEDURES**

<b>Agreed - Upon Procedures</b>	<b>Results of Procedures</b>
<p>and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.</p>	
<p>18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (<a href="http://www.gsa.gov">www.gsa.gov</a>) and report any amounts that exceed GSA rates.</p>	<p>No exceptions noted in the procedures performed.</p>
<p>19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:</p> <p>a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.</p> <p>b) Report whether each expense is supported by:</p> <ul style="list-style-type: none"> <li>➤ An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]</li> <li>➤ Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).</li> <li>➤ Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance).</li> </ul> <p>c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits</p>	<p>One of the three employees was over reimbursed by \$28 for meals and mileage. Specifically, the employee was reimbursed at a mileage rate of .555 instead of .535 which was the effective IRS rate for 2017 and was reimbursed for lunch when lunch was provided at the event and reimbursed more than half of the meal per diem rate on the 1st day of travel, which is prohibited by the City's travel policy.</p> <p><b>Management Response:</b>  <b>Management will work with each department to ensure that travel policy is being followed. Management will verify that the correct IRS mileage rate is being followed used on travel.</b></p>



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<b>Agreed - Upon Procedures</b>	<b>Results of Procedures</b>
<p>the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.</p> <p>d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.</p>	
<b>Contracts</b>	
<p><b>20.</b> Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management’s representation that the listing or general ledger is complete.</p>	<p>No exceptions noted in the procedures performed.</p>
<p><b>21.</b> Using the listing above, select the five contract “vendors” that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:</p> <p>a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.</p> <p>b) Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:</p> <ul style="list-style-type: none"> <li>➤ If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)</li> <li>➤ If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.</li> </ul> <p>c) Report whether the contract was amended. If so,</p>	<p>No exceptions noted in the procedures performed.</p>



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<b>Agreed - Upon Procedures</b>	<b>Results of Procedures</b>
<p>report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.</p> <p>d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.</p> <p>e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).</p>	
<b>Payroll and Personnel</b>	
<p><b>22.</b> Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete.</p> <p>Randomly select five employees/officials, obtain their personnel files, and:</p> <p>a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.</p> <p>b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.</p>	<p style="color: green;">No exceptions noted in the procedures performed.</p>
<p><b>23.</b> Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:</p> <p>a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not</p>	<p>One employee's absence and request form did not have a signature of approval; however, the leave was electronically approved in the Attendance Enterprise system.</p> <p><b>Management Response:</b>  <b>Management will work with departmental time keepers to make sure policies are being followed.</b></p>



**PROCEDURES TO BE PERFORMED IN CONNECTION WITH LOUISIANA LEGISLATIVE AUDITOR STATEWIDE AGREED-UPON PROCEDURES**

<b>Agreed - Upon Procedures</b>	<b>Results of Procedures</b>
<p>document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave).</p> <p>b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.</p> <p>c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.</p>	
<p><b>24.</b> Obtain from management a list of those employees/officials that terminated during the fiscal period and management’s representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.</p>	<p>No exceptions noted in the procedures performed.</p>
<p><b>25.</b> Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period.</p> <p>Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.</p>	<p>The 1st quarter Form 941 was submitted by the end of the month following the quarter, but the tax deposit for the March 31, 2017 monthly payroll (\$202,634.70) was not submitted until August 25, 2017. The 3rd quarter Form 941 was submitted by the end of the month following the quarter but the tax deposit for the August 31, 2017 monthly payroll (\$203,845.35) was not submitted until October 2, 2017.</p> <p>For Employee Retirement System (ERS) – No exceptions noted in the procedures performed.</p> <p>For Municipal Police Employees Retirement System (MPERS) - monthly contributions for 8 months (Jan. – Mar., May - Jun, Sept., Nov. and Dec.) totaling \$8,170,847.18, were not submitted by the 10th of the month following the contributions.</p>



**PROCEDURES TO BE PERFORMED IN CONNECTION WITH LOUISIANA LEGISLATIVE AUDITOR STATEWIDE AGREED-UPON PROCEDURES**

<b>Agreed - Upon Procedures</b>	<b>Results of Procedures</b>
	<p>For Firefighter Retirement System (FRS) monthly contributions (\$960,014.31) for September 2017 were not submitted by the deadline (20th of the month following the contributions). They were submitted in February 2018.</p> <p>For Louisiana State Employees Retirement System (LASERS), could not determine if monthly contribution report was sent by deadline for three months (Feb, Jun, Sept) because could not locate submission confirmation. However, contributions were submitted by the deadline, 15 days after the close of calendar month.</p> <p><b>Management Response:</b> Management will ensure reports are being filed timely.</p>
<b>Ethics (excluding nonprofits)</b>	
<p>26. Using the five randomly selected employees/officials from procedure #22 under "Payroll and Personnel" above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.</p>	<p>No exceptions noted in the procedures performed.</p>
<p>27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management's actions complied with the entity's ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.</p>	<p>No exceptions noted in the procedures performed.</p>
<b>Debt Service (excluding nonprofits)</b>	
<p>28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.</p>	<p>No exceptions noted in the procedures performed.</p>
<p>29. If the entity had outstanding debt during the fiscal</p>	<p>No exceptions noted in the procedures performed.</p>



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<b>Agreed - Upon Procedures</b>	<b>Results of Procedures</b>
<p>period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.</p>	
<p><b>30.</b> If the entity had tax millages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.</p>	<p>No exceptions noted in the procedures performed.</p>
<b>Other</b>	
<p><b>31.</b> Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.</p>	<p>No exceptions noted in the procedures performed.</p>
<p><b>32.</b> Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at <a href="http://www.la.gov/hotline">www.la.gov/hotline</a>) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.</p>	<p>There was no LLA Fraud Flyer displayed in the workplace. There is a hyperlink on the City's site, but it goes only to the <a href="http://lla.la.gov">lla.la.gov</a> Online Fraud Report Submission Form. There is nothing that takes you to LLA information page to retrieve an explanation about the form.</p> <p><b>Management Response:</b> <b>Management will comply with regulations.</b></p>
<p><b>33.</b> If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.</p>	<p>No exceptions noted in the procedures performed.</p>



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