

Natchitoches Parish Police Jury
Natchitoches, Louisiana

Schedule of Findings and Questioned Costs
Year Ended December 31, 2001

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results in accordance with OMB Circular A-133:

1. An unqualified opinion was issued on the primary government financial statements of the Natchitoches Parish Police Jury as of and for the year ended December 31, 2001.
2. The audit disclosed one reportable condition in internal control and the condition was a material weakness.
3. The audit disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards*.
4. The audit did not disclose reportable conditions in internal control over major programs.
5. An unqualified opinion was issued on compliance for major programs.
6. The audit did disclose one finding related to federal awards that is required to be reported under OMB Circular A-133, and is shown as finding 01-2 in Part II, Schedule of Findings and Questioned Costs.
7. The following program was major for the year ended December 31, 2001:

Head Start (CFDA #93.600)
8. \$300,000 was the threshold used to distinguish Type A from Type B programs.
9. The Natchitoches Parish Police Jury did qualify as a low-risk auditee.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The following finding relates to the financial statements and is required to be reported in accordance with *Government Auditing Standards*:

Compliance-

01-1 Allowable Investments

Condition-Louisiana Statutes outline the various allowable places that the jury may deposit excess funds. During the year ended December 31, 2001, an investment in U.S. Treasury bills matured, and the funds were deposited into the money market account of a local broker. At December 31, 2001, these funds were still being held in this money market account, which is not an allowable investment under Louisiana Statutes.

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Schedule of Findings and Questioned Costs-Continued
Year Ended December 31, 2001

Recommendation-Management should institute procedures to ensure that the Jury's investments are deposited in allowable securities.

Management Response-Management has instituted a new procedure. The Treasurer will monitor the Jury's investments monthly to ensure that they are in proper securities.

Internal Control-

01-2 Reconciliation of General Ledgers of Office of Community Services

Condition-The various general ledgers for the programs of Office of Community Services are not being reconciled and corrected on a timely basis. Transactions that should be for one general ledger are sometimes posted to another and are not corrected timely. This condition causes instances whereby reports filed with grantors cannot be reconciled to the books of account. In addition, operating and equity transfers between grants and program years are shown as credits to operating expenses in the receiving fund and debits to operating expenses in the transferring fund. This condition leaves no audit trail for transfers.

Recommendation-Procedures should be instituted to review and correct each Office of Community Services' general ledger on a monthly basis. In addition, the chart of accounts should be expanded to allow for "Transfer to/Transfer from" accounts, and all operating and equity transfers should be properly posted to them.

Management Response-Management and Financial staff of the Natchitoches Parish Police Jury Office of Community Services will review and reconcile the general ledgers on a monthly basis. In addition, their office will set up a chart of accounts to disclose "Transfer to" and "Transfers from" other programs.

Natchitoches Parish Police Jury
Schedule of Prior Year Audit Findings
Year Ended December 31, 2001

Compliance Findings

00-1 Allowable Investments

Condition-At December 31, 2000, the Jury had excess funds deposited in the money market account of a brokerage house, which is not allowable under Louisiana Statutes.

Current Status-This condition also existed at December 31, 2001, and is being reported as finding number 01-1.

00-2 General Fixed Assets

Condition-For the year ended December 31, 2000, some purchases of general fixed assets had not been recorded in the Jury's general fixed assets reporting system.

Current Status-This condition was corrected during the current year.