

Natchitoches Parish Police Jury
Schedule of Findings and Questioned Costs-Continued
Year Ended December 31, 2003

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

03-2 Public Bid Law

Condition-Louisiana Statutes require that the Public Bid Law be followed for construction projects which exceed \$100,000. During the year ended December 31, 2003, and into 2004, the Jury's Road Maintenance Department constructed a new building that cost \$7,000 for architectural design and inspection and \$118,082 for construction costs for a total of \$125,082. We note that two different contractors were used to construct the building. Each contractor's portion was less than that amount which would require bids, but together, the costs exceed the bid limits. The Public Bid Law prohibits the "splitting" of contracts in order to avoid the bidding process.

Recommendation-The Jury should institute policies and procedures to ensure that applicable laws and regulations will be followed on future construction projects. In addition, as of the date of this report, there may be further action being taken on this issue by the Louisiana Legislative Auditor's Office, which may include additional recommendations by that office.

03-3 Open Meetings Laws

Condition-In our reading of the minutes of the Jury meetings, we noted that the Jury entered into a lease with a local not-for-profit entity, to lease the abandoned Highway Department site on a long-term commitment. The lease describes the fencing and various buildings at the site as having substantial economic value. Upon inspection of the site, we found that the fencing and all but one building had been removed. The subsequent period minutes of Jury meetings do not make mention of this material change to the contract, and an amended contract is not abstracted to the minutes.

Recommendation-Substantial actions taken concerning Jury property and/or substantial revisions to material or long-term contracts held by the Jury should be covered in regular open Jury meetings, and the actions taken and appropriate documentation should be made a part of the Jury's minutes.

03-4 Compliance with Parish Transportation Act/Capital Outlay Program

Condition-During our audit of the Jury's compliance with the Parish Transportation Act, we became aware that a road that was not included in the Jury's Capital Outlay Program was overlaid. The work was done without full Jury action amending the Capital Outlay Program to include this road.

Recommendation-The Jury should institute policies and procedures to ensure its compliance with the Capital Outlay Program portion of the Parish Transportation Act. Any deviations from the Capital Outlay Program should require action to amend the Program by the entire Jury.

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Year Ended December 31, 2003

Internal Control-

03-5 Cash Receipts for Child Care Food Program

Condition-During our audit of the Child and Adult Care Food Program of the Office of Community Services, we noted deficiencies in the internal control system related to cash receipts. The Child Care Food Program provides meals for the Head Start Program. Employees who eat these meals are charged \$2.50 per meal. We noted that beginning in September 2003 and until March of 2004, no deposits were made to the bank accounts for these meal charges. Upon further review, we could not find any documentation as to what happened to these cash collections and we were unable to arrive at a total amount misappropriated since the records relating to these collections were also missing. It is not clear whether or not the Jury is pursuing legal action for these missing deposits.

Recommendation-The cash receipt function for employee meal charges should be separated sufficiently so that not just one person handles the entire process. Collections should be reconciled to receipts daily, and turned over to the accounting department so that timely deposits will be made. In addition, procedures should be established so that management reviews these procedures to ensure that if a problem does arise, it does not continue for several months before being addressed.

Natchitoches Parish Police Jury
Schedule of Prior Year Audit Findings
Year Ended December 31, 2003

Compliance Findings

02-1 Allowable Investments

Condition-At December 31, 2002, 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, 2003, and is being reported as finding number 03-1.

02-2 Reconciliation of General Ledgers of Office of Community Services

Condition-At December 31, 2002, the various general ledgers for the Office of Community Services were not being reconciled on a monthly basis. This condition was causing reports to be filed with grantor agencies that could not be reconciled to the books of account. During the year ended December 31, 2003, this condition improved, but was not completely corrected. Management will continue to monitor the situation.