

**St. John the Baptist Parish
Clerk of Court**

FINANCIAL STATEMENTS

June 30, 2018



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St. John the Baptist Parish Clerk of Court
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June 30, 2018

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INDEPENDENT AUDITORS' REPORT

Honorable Eliana DeFrancesch
St. John the Baptist Parish Clerk of Court
Edgard, Louisiana

We were engaged to audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. John the Baptist Parish Clerk of Court (the Clerk of Court) as of and for the year ended June 30, 2018, and the related notes to financial statements, which collectively comprise the Clerk of Court's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

Detailed records have not been properly maintained and certain records and supporting data was not available for the funds presented in the financial statements. In addition, the trial balance and general ledger detail for the general fund was not provided, as such, the general fund has not been included in the basic financial statements. Therefore, we were not able to obtain sufficient appropriate audit evidence about the amounts in the financial statements, nor were we able to present or audit the General Fund financial statements.

Disclaimer of Opinion

Because of the significance of the matters described in the basis for disclaimer of opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements referred to in the first paragraph.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This information, with the exception of the Schedule of Revenues, Expenditures, and Changes in Fund Balance – East Bank Expense Fund Budget and Actual, has been omitted. We have applied certain limited procedures to the required supplementary information that is presented in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management’s discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk of Court’s basic financial statements.

Management has omitted the Schedule of Compensation, Benefits, and Other Payments to Agency Head that Louisiana Revised Statute 24:513 requires to be presented to supplement the basic financial statements. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2020 on our consideration of the Clerk of Court's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of Court's internal control over financial reporting and compliance.

Car, Riggs & Ingram, L.L.C.

September 30, 2020

**St. John the Baptist Parish Clerk of Court
Balance Sheet
Governmental Funds**

<i>June 30, 2018</i>	East Bank Expense Special Revenue Fund
<hr/>	
Assets	
Cash and cash equivalents	\$ 46,676
Due from other governments	13,802
Due from other funds	8,740
<hr/>	
Total Assets	\$ 69,218
<hr/>	
Liabilities and Fund Balance	
Liabilities	
Due to other funds	\$ 55,001
<hr/>	
Total Liabilities	55,001
<hr/>	
Fund balance	
Restricted	14,217
<hr/>	
Total Fund Balance	14,217
<hr/>	
Total Liabilities and Fund Balances	\$ 69,218
<hr/>	

The accompanying notes are an integral part of this statement.

St. John the Baptist Parish Clerk of Court
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds

<i>For the year ended June 30, 2018</i>	East Bank Expense Special Revenue Fund
Revenues	
Fees, charges and commissions:	
Court costs, fees and charges	\$ 158,476
Interest	15
Total Revenues	158,491
Expenditures	
Current:	
General government:	
Personnel salaries and related benefits	180,639
Materials and supplies	363
Total Expenditures	181,002
Net Change in Fund Balances	(22,511)
Fund Balances, Beginning of Year	36,728
Fund Balances, End of Year	\$ 14,217

The accompanying notes are an integral part of this statement.

St. John the Baptist Parish Clerk of Court
Statement of Assets and Liabilities
Fiduciary Funds

<i>June 30, 2018</i>	Agency Funds
<hr/>	
Assets	
Cash and cash equivalents	\$ 1,967,046
Certificates of deposit	2,161,006
<hr/>	
Total Assets	\$ 4,128,052
<hr/>	
Liabilities	
Due to litigants and others	\$ 4,128,052
<hr/>	
Total Liabilities	\$ 4,128,052
<hr/>	

The accompanying notes are an integral part of this statement.

St. John the Baptist Parish Clerk of Court Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the St. John the Baptist Parish Clerk of Court (the "Clerk of Court") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Clerk of Court's accounting policies are described below.

Reporting Entity

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, a Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages and other acts, and shall have other duties and powers provided by law. A Clerk of Court is elected for a term of four years.

These financial statements only include funds and activities that are controlled by the Clerk of Court as an independently elected parish official.

As an independently elected official, the Clerk of Court is solely responsible for the operations of their office, which includes the hiring or retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. Certain units of local government over which the Clerk of Court exercises no oversight responsibility, such as the St. John the Baptist Parish (the "Parish") School Board, other independently elected officials, and municipalities within the Parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Clerk of Court.

Fund Financial Statements

Governmental Fund:

East Bank Expense Special Revenue Fund - As provided by Louisiana Revised Statute 13:851, an additional cost is assessed in all criminal cases of which the Fortieth Judicial District Court has jurisdiction. This additional cost provides support for the Clerk of Court's branch office located on the east bank of the Mississippi River. The collection of the additional cost and related expenses of the east bank office are accounted for in this fund.

Additionally, the Clerk of Court reports the following fund type:

Fiduciary Funds:

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of other funds within the Clerk of Court. The funds accounted for in this category by the Clerk of Court are the agency funds. The agency funds are as follows:

St. John the Baptist Parish Clerk of Court Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advance Deposit Fund - accounts for advance deposits on suits filed by litigants.

Registry of the Court Fund - accounts for funds which have been ordered by the court to be held until judgment has been rendered in court litigation.

Criminal Juror Fund - accounts for funds from the Parish for criminal court proceedings pending court actions.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Clerk of Court considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as required by accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Budgetary Accounting

A proposed budget is prepared and submitted to the Clerk of Court for the fiscal year no later than fifteen days prior to the beginning of each fiscal year. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted. All budgetary appropriations lapse at the end of each fiscal year.

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Clerk of Court.

Cash and Cash Equivalents

For the purpose of the Statement of Net Position, cash includes all demand, savings accounts, and certificates of deposit with less than three months of maturity of the Clerk of Court.

St. John the Baptist Parish Clerk of Court Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

Fund balance for the Clerk of Court's governmental funds is reported depicting the relative strength of the spending constraints placed on the purposes for which resources can be used. In the governmental fund financial statements, fund balances are classified as follows:

- a. Nonspendable - amounts that cannot be spent either because they are in non-spendable form (such as inventories and prepaid amounts) or because they are legally or contractually required to be maintained intact.
- b. Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed - amounts that can be used only for specific purposes determined by a formal action of the government's highest level of decision-making authority.
- d. Assigned - amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.
- e. Unassigned - amounts that are available for any purpose.

When both restricted and unrestricted resources are available for use, it is the Clerk's intention to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use it is the Clerk's intention to use committed resources first, then assigned, and then unassigned as they are needed.

Revenue

Fees for certified copies, recording legal documents, marriage licenses, and commissions for services are recorded in the year they are earned. Interest income on time deposits are recorded when the income is available.

Interfund Transactions

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds". Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

**St. John the Baptist Parish Clerk of Court
Notes to the Financial Statements**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 30, 2020. See Note 6 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

NOTE 2: CASH AND CERTIFICATES OF DEPOSIT

At June 30, 2018, the Clerk of Court had the following cash and certificates of deposit as follows:

Governmental Funds	\$ 46,676
Fiduciary Funds	4,128,052
Total	\$ 4,174,728

Under State law, the bank balances of these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent. At year-end, the bank balance was fully secured by the amount insured by the FDIC or collateralized with securities held by the Clerk of Court's agent in the Clerk's name.

NOTE 3: DUE FROM OTHER GOVERNMENTS

At June 30, 2018, the Clerk of Court had the following amounts due from other governments:

<i>Eastbank Expenses Fund</i>	
St. John the Baptist Parish Sheriff's Department	\$ 13,802
Total	\$ 13,802

**St. John the Baptist Parish Clerk of Court
Notes to the Financial Statements**

NOTE 4: INTERFUND ASSETS/LIABILITIES

The balances due to/from individual funds are as follows:

<i>June 30,</i>	2018
<hr/>	
<i>Eastbank Expense Fund</i>	
Due from General Fund	\$ 8,740
Due to General Fund	(55,001)

NOTE 5: EXPENDITURES PAID BY THE ST. JOHN THE BAPTIST PARISH COUNCIL

The Clerk of Court's office is located in the Parish courthouse. The expenditures for maintenance and operation of the Parish courthouse are paid by the St. John the Baptist Parish Council and are not included in the accompanying financial statements. The amount of these expenditures paid by the Parish Council is indeterminate.

NOTE 6: SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after December 31, 2019 through September 30, 2020, the date the Clerk of Court's financial statements were available to be issued. The following event occurred.

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

St. John the Baptist Parish Clerk of Court
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
East Bank Expense Fund Budget and Actual

<i>For the year ended June 30, 2018</i>	Original Budget	Actual	Variance with Final Budget
Revenues			
Fees, charges and commissions:			
Court costs, fees and charges	\$ 166,000	\$ 158,476	\$ (7,524)
Interest	20	15	(5)
Total Revenues	166,020	158,491	(7,529)
Expenditures			
Current:			
General government:			
Personnel services and related benefits	185,300	180,639	4,661
Operating services	14,800	-	14,800
Materials and supplies	1,800	363	1,437
Total Expenditures	201,900	181,002	20,898
Net Change in Fund Balance	(35,880)	(22,511)	(13,369)
Fund Balance (Deficit), Beginning of Year	(443,019)	36,728	479,747
Fund Balance (Deficit), End of Year	\$ (478,899)	\$ 14,217	\$ 493,116

See independent auditors' report.

St. John the Baptist Clerk of Court
Notes to Required Supplementary Information

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Budgets for the Eastbank Expense Special Revenue Fund are legally adopted by the Clerk of Court on a basis consistent with generally accepted accounting principles (GAAP).

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Eliana DeFrancesch
St. John the Baptist Parish Clerk of Court
Edgard, Louisiana

We were engaged to audit, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. John the Baptist Parish Clerk of Court (the "Clerk of Court"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Clerk of Court's basic financial statements and have issued our report thereon dated September 30, 2020. Our report disclaims an opinion on such financial statements because the Clerk of Court could not provide sufficient appropriate documentation to substantiate all funds and material account balances in cash, receivables, revenue, accrued liabilities, and expenses. We were unable to obtain sufficient appropriate audit evidence about the areas mentioned above through application of other auditing procedures.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Clerk of Court's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk of Court's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk of Court's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Clerk of Court's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses that we consider to be material weaknesses. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items **2018-001**, **2018-002**, and **2018-003** to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Clerk of Court's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Responses as item **2018-004**.

The Clerk of Court's Response to Findings

The Clerk of Court's responses to the findings identified in our audit is described in the accompanying corrective action plan. The Clerk of Court's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Clerk of Court's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk of Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Carly Riggs & Ingram, L.L.C.

September 30, 2020

**St. John the Baptist Parish Clerk of Court
Schedule of Findings and Responses
For the Year Ended June 30, 2018**

A. SUMMARY OF AUDITORS' RESULTS

1. The independent auditors' report expresses a disclaimer of opinion on the financial statements of the St. John the Baptist Parish Clerk of Court (the "Clerk of Court") as described in the Basis of Disclaimer paragraph in our report.
2. Material weaknesses in internal control over financial reporting are reported in the *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*. (**2018-001**, **2018-002** and **2018-003**).
3. One (1) instance of noncompliance material to the financial statements of the Clerk of Court, which is required to be reported in accordance with *Governmental Auditing Standards*, was disclosed during the audit. (**2018-004**).
4. A management letter was not issued for the year ended June 30, 2018.

B. FINDINGS

2018-001 Material Weakness - Inadequate Segregation of Accounting Duties (Originated in 2010)

<i>Criteria:</i>	The Clerk of Court should have systems of internal accounting control which provide for appropriate segregation of accounting duties.
<i>Condition:</i>	The Clerk of Court does not have adequate segregation of functions within the accounting function.
<i>Cause:</i>	The Clerk of Court has a limited number of employees in the accounting department.
<i>Effect:</i>	This condition represents a material weakness in internal controls.
<i>Recommendation:</i>	The Clerk of Court should implement systems of control which provide for proper segregation of accounting duties.
<i>Response:</i>	See Management's Corrective Action Plan for their response.

2018-002 Material Weakness - Application of GAAP (Originated in 2010)

<i>Criteria:</i>	The Clerk of Court should have systems of internal accounting control which ensure the basic financial statements are presented in accordance with U. S. generally accepted accounting principles.
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**St. John the Baptist Parish Clerk of Court
Schedule of Findings and Responses
For the Year Ended June 30, 2018**

<i>Condition:</i>	The Clerk of Court does not have adequate policies, procedures, and related internal controls to prepare accurate and complete financial statements. During our audit, we were unable to obtain the amounts for the General Fund and the related supporting documentation.
<i>Cause:</i>	The Clerk of Court does not have adequate policies and procedures to prepare accurate and complete financial statements in accordance with U. S. generally accepted accounting principles.
<i>Effect:</i>	We were unable to perform audit procedures on the General Fund.
<i>Recommendation:</i>	The Clerk of Court should implement systems of control which ensure the basic financial statements are presented in accordance with U.S. generally accepted accounting principles.
<i>Response:</i>	See Management's Corrective Action Plan for their response.

2018-003 Material Weakness - Internal Control over Financial Reporting (Originated in 2017)

<i>Criteria:</i>	The Clerk of Court should have systems of internal control over financial reporting that include timely and complete reconciliation of all material account balances.
<i>Condition:</i>	The Clerk of Court could not provide sufficient documentation to substantiate all material account balances for the General Fund, and the general ledger details provided for the Advance Deposit fiduciary fund were unauditable.
<i>Cause:</i>	The Clerk of Court does not have an effective system of internal control over financial reporting that includes timely and complete reconciliation of all material balances.
<i>Effect:</i>	The financial statements contain material unsubstantiated balances and are missing material balances.
<i>Recommendation:</i>	The Clerk of Court should have systems of internal control over financial reporting that include timely and complete reconciliation of material account balances.
<i>Response:</i>	See Management's Corrective Action Plan for their response.

**St. John the Baptist Parish Clerk of Court
Schedule of Findings and Responses
For the Year Ended June 30, 2018**

2018-004 Timely Submission to Louisiana Legislative Auditor

<i>Criteria:</i>	Louisiana Revised Statute 24:513, requires local auditees to submit audit reports to the Louisiana Legislative Auditor (LLA) no later than six months after the local auditee's fiscal year end.
<i>Condition:</i>	Governmental agencies must follow Louisiana Revised Statutes.
<i>Cause:</i>	The Clerk of Court's Office did not submit their audit report to the LLA within six months of their year-end.
<i>Effect:</i>	The Clerk of Court is not in compliance with Louisiana Revised Statutes 24:513.
<i>Recommendation:</i>	The Clerk of Court should submit audit reports to the Louisiana Legislative Auditor no later than six months after the fiscal year end.
<i>Response:</i>	See Management's Corrective Action Plan for their response.

**St. John the Baptist Parish Clerk of Court
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2018**

SECTION I – FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Finding 2017-1	Unresolved. See finding 2018-001
Finding 2017-2	Unresolved. See finding 2018-002
Finding 2017-3	Unresolved. See finding 2018-003
Finding 2017-4	Unresolved. Information regarding the General Fund was not provided to the auditor and as such, compliance with Louisiana Revised Statute 9:151-181 could not be determined.
Finding 2017-5	Unresolved. Information regarding the General Fund was not provided to the auditor and as such, compliance with Louisiana Revised Statute 13:842 could not be determined.
Finding 2017-6	Unresolved. See finding 2018-004
Finding 2017-7	Unresolved. Information regarding the General Fund was not provided to the auditor and as such, compliance with the Louisiana Local Budget Act could not be determined.

**St. John the Baptist Parish Clerk of Court
Corrective Action Plan
For the Year Ended June 30, 2018**

2018-001 Material Weakness - Inadequate Segregation of Accounting Duties (Originated in 2010)

To the extent staff and budget limitations allow, the Clerk will implement and achieve adequate segregation of accounting duties.

2018-002 Material Weakness - Application of GAAP (Originated in 2010)

The additional costs required to achieve the desired benefit may not be economically feasible.

2018-003 Material Weakness - Internal Control over Financial Reporting (Originated in 2017)

To the extent staff and budget limitations allow, the Clerk will implement systems of internal control over financial reporting that include timely and complete reconciliations of all material balance accounts.

2018-004 Timely Submission to Louisiana Legislative Auditor

The Clerk of Court will submit its audited report to the Louisiana Legislative Auditor as soon as possible. To the extent submission is within its control, the Clerk of Court will submit its audited report within six months of the fiscal year end.



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Honorable Eliana DeFrancesch
St. John the Baptist Parish Clerk of Court
2393 Hwy. 18
Edgard, LA 70049
and the Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by management of the St. John the Baptist Parish Clerk of Court's Office (the "Clerk") 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 July 1, 2017 through June 30, 2018. The Clerk's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. 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.

The procedures and associated results are as follows:

Written Policies and Procedures

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:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
Results: Exception noted. The Clerk of Court does not have written policies and procedures in place for the procedures listed above.
 - b) ***Purchasing***, 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.

Results: Exception noted. The Clerk of Court does not have written policies and procedures in place for the procedures listed above.

- c) ***Disbursements***, including processing, reviewing, and approving

Results: Exception noted. The Clerk of Court does not have written policies and procedures in place for the procedures listed above.

- d) ***Receipts***, including receiving, recording, and preparing deposits

Results: Exception noted. The Clerk of Court does not have written policies and procedures in place for the procedures listed above.

- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

Results: Exception noted. The Clerk of Court does not have written policies and procedures in place for the procedures listed above.

- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process

Results: Exception noted. The Clerk of Court does not have written policies and procedures in place for the procedures listed above.

- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage

Results: Exception noted. The Clerk of Court does not have written policies and procedures in place for the procedures listed above.

- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers

Results: Exception noted. The Clerk of Court does not have written policies and procedures in place for the procedures listed above.

- i) ***Ethics***, 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.

Results: Exception noted. The Clerk of Court does not have written policies and procedures in place for the procedures listed above.

Bank Reconciliations

2. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and all remaining accounts. Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:

Results: Exception noted. Unable to perform this procedure as no financial information for the General Fund was provided. The below procedures were performed over the Eastbank Fund and Registry and Advanced Deposit Fiduciary Funds.

- a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

Results: Exceptions noted. Bank reconciliations were not reconciled within 2 months of the related statement closing date.

- b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Results: Exceptions noted. Bank reconciliations did not include evidence that a member of management reviewed.

- c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: Exceptions noted. Management did not include documentation that reconciling items that have been outstanding for more than 12 months were researched.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

3. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

Results: No exceptions noted as a result of applying the procedure.

4. For each location selected under #3 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Inquire of employees about their job duties, and observe that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

Results: Exception noted. Management did not provide documentation noting segregation of duties.

b) At least two employees are involved in processing and approving payments to vendors.

Results: Exception noted. Management did not provide documentation noting segregation of duties.

c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Results: Exception noted. Management did not provide documentation noting segregation of duties.

d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results: Exception noted. Management did not provide documentation noting segregation of duties.

5. For each location selected under #3 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:

a) Observe that the disbursement matched the related original invoice/billing statement.

Results: Exception noted. Unable to perform this procedure as no financial information for the General Fund was provided.

b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #4, as applicable.

Results: Exception noted. Unable to perform this procedure as no financial information for the General Fund was provided.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

6. 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.

Results: Exception noted. Management did not provide a complete listing of all active credit cards, bank debit cards, fuel cards, and P-cards. Only the June 2018 American Express reconciliation was provided.

7. Using the listing prepared by management, select all cards that were used during the fiscal period, rotating cards each year. Randomly select one monthly statement or combined statement for each card, obtain supporting documentation, and:

- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing, by someone other than the authorized card holder.

Results: Management was unable to provide evidence that statements are reviewed and approved by someone other than the authorized card holder.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

Results: No finance charge or late fees observed on the reconciliation obtained.

- 8. Using the monthly statements or combined statements selected under #7 above, randomly select 10 transactions from each statement, and obtain supporting documentation for all transactions for each of the cards selected. For each transaction, observe that it is supported by:

(1) An original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) For meal charges, there should also be documentation of the individuals participating.

Results: Exception noted. Unable to perform this procedure as no financial information for the General Fund was provided.

Travel and Expense Reimbursement

- 13. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

Results: Exception noted. Unable to perform this procedure as no financial information for the General Fund was provided.

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

Results: Exception noted. Unable to perform this procedure as no financial information for the General Fund was provided.

- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.

Results: Exception noted. Unable to perform this procedure as no financial information for the General Fund was provided.

- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those

individuals participating) and other documentation required by written policy (procedure #1h).

Results: Exception noted. Unable to perform this procedure as no financial information for the General Fund was provided.

- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: Exception noted. Unable to perform this procedure as no financial information for the General Fund was provided.

Contracts

- 14. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Obtain management's representation that the listing is complete. Select all contracts and:

Results: Exception noted. No complete listing of contracts was provided.

- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

Results: Exception noted. Unable to perform the procedure.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).

Results: Exception noted. Unable to perform the procedure.

- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.

Results: Exception noted. Unable to perform the procedure.

- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: Exception noted. Unable to perform the procedure.

Payroll and Personnel

- 15. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results: Exception noted. Unable to perform this procedure as no financial information for the General Fund was provided.

16. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #10 above, obtain attendance records and leave documentation for the pay period, and:

- a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory).

Results: Exception noted. Unable to perform this procedure as no financial information for the General Fund was provided.

- b) Observe that supervisors approved the attendance and leave of the selected employees/officials.

Results: Exception noted. Unable to perform this procedure as no financial information for the General Fund was provided.

- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results: Exception noted. Unable to perform this procedure as no financial information for the General Fund was provided.

17. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

Results: Exception noted. Unable to perform this procedure as no financial information for the General Fund was provided.

18. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

Results: Exception noted. Unable to perform this procedure as no financial information for the General Fund was provided.

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 procedures performed on those C/C areas identified in the SAUPs, and the result of the procedures performed, 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.

Caru, Riggs & Ingram, L.L.C.

September 30, 2020