

**RED RIVER LEVEE AND DRAINAGE DISTRICT
STATE OF LOUISIANA**

Agreed-Upon Procedures

For the Year Ending June 30, 2023

**RED RIVER LEVEE AND DRAINAGE DISTRICT
STATE OF LOUISIANA**

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
Red River Levee and Drainage District
Coushatta, Louisiana

We have performed the procedures enumerated below as they are a required part of the engagement. We are required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, we have marked “not applicable.”

Management of the Red River Levee and Drainage District (the District), is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of the District and the Legislative Auditor, State of Louisiana, solely to assist the users in assessing certain controls and in evaluating management's assertions about the District's compliance with certain laws and regulations during the period of July 1, 2022 thru June 30, 2023.

This agreed-upon procedures engagement was performed 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.

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:
 - a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
 - 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 or state purchasing rules and regulations, as applicable to the entity; and (5) documentation required to be maintained for all bids and price quotes.
 - c) *Disbursements*, including processing, reviewing, and approving.
 - d) *Receipts/Collections*, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued).

- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- 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.
- 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 of statements, and (5) monitoring card usage (e.g. determining the reasonableness of fuel card purchases).
- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, (4) timeframe in which requests must be submitted and (5) required approvers.
- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 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 annually attest through signature verification that they have read the entity's ethics policy.
- j) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) *Disaster Recovery/Business Continuity*, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

Results:

Procedures a), c), d), e), g), and j), procedure performed without exception.

For procedure b), the policy did not address item (2).

For procedure e), the policy did not address reviewing and approving leave and overtime worked.

For procedure f), the policy did not address items (1), (2), (3), (4), and (5).

For procedure h), the policy did not address item (2).

For procedure i), the policy did not address items (2), (3) and (4).

For procedure k), the District does not have a policy.

Annual Fiscal Report (AFR)

2. Obtain the financial statements from the AFR submitted to the Division of Administration's (DOA) Office of Statewide Reporting and Accounting Policy for the current and prior periods. Perform analytical procedures comparing current and prior period amounts, by line item. Report any variances of 10% or greater for line items that are 10% or more of the respective total assets/deferred outflows of resources, liabilities/deferred inflows of resources, net position, revenues, or expenses, and management's explanation of the variance.

Results:

We obtained the 2022 and 2023 submitted AFR and performed the above analytical procedures. We noted variances of more than 10% for the following items:

- *Cash increased by \$263,234 or 16.6%. The increase was due to the increase in net position.*
- *Accounts payable and accruals decreased by \$28,201 or 40.3%. The decrease was due to less expenditures near year-end.*

Board Meetings/Minutes

3. Obtain and inspect the board minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the 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.
 - b) Observe that the minutes referenced or included monthly budget-to-actual comparisons.
 - c) Access the entity's online information included in the DOA's boards and commissions database (<https://wwwcfprd.doa.louisiana.gov/boardsandcommissions/home.cfm>) and observe that the entity submitted board meeting minutes for all meetings during the fiscal period.

Results:

Procedure a) performed without exception.

For procedure b), the minutes did not indicate the District reviewed budget-to-actual comparisons.

For procedure c), the District did not submit board meeting minutes for 3 board meetings during the fiscal period.

Bank Reconciliations

4. Obtain a listing of bank accounts for the fiscal period from management and management's representation that the listing is complete. For each of the bank accounts in the listing provided by management, obtain bank statements and reconciliations for all months in the fiscal period and observe that:
 - 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).
 - 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).
 - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months at the statement closing date.
 - d) The reconciled balance for the final month of the fiscal period agrees to the general ledger.

Results:

Procedure performed without exception.

Receipts/Collections

5. Obtain and inspect written policies and procedures relating to employees' job duties (if no written policies or procedures, inquire of employees about their job duties), and observe that job duties for collections are properly segregated such that:
 - a) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts or license applications received) to the deposit.
 - b) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - c) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source are not responsible for collecting cash, unless another employee verifies the reconciliation.

Results:

There is only one office employee who is responsible for collecting cash/checks, making deposits, posting entries to the general ledger, and reconciling the bank accounts.

6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Results:

The District does not have a bond or insurance policy for employees who have access to cash.

7. Randomly select 5 deposit dates for each of the bank accounts (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 5 deposits for each bank account and:
 - a) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - b) Trace the deposit slip total to the actual deposit per the bank statement.
 - c) Observe that the deposit was made within one business day of collection (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
 - d) Trace the actual deposit per the bank statement to the general ledger.

Results:

Procedure performed without exception.

8. Obtain and inspect written policies and procedures (if no written policies and procedures, inquire to management) and observe that there is a process performed to determine completeness of all collections, including electronic transfers, for each revenue source (e.g. periodic confirmation with

outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued) by a person who is not responsible for collections.

Results:

Procedure performed without exception.

9. For licensing boards, obtain a list of initial and renewal licenses granted during the period from management and management's representation that the listing is complete. Randomly select 10 individual applicants from the listing and obtain the supporting documentation (e.g. application, copy of check) from management and:
 - a) Observe that the fee paid for license was the appropriate fee based on the applicable fee schedule established by the board or statute.
 - b) If a penalty was assessed (e.g. late fee), observe that the penalty was assessed and collected in accordance with the board's policies.

Results:

Not applicable.

10. For licensing boards, obtain and inspect the board's written policies and procedures for granting licenses (if no written policies and procedures, inquire to management) and observe that there is a process performed to ensure licensees meet the licensure requirements established by the board or statute, as applicable. For the 10 individual applicants selected in the previous step that were granted initial or renewal licenses during the period, request the supporting documentation (e.g. licensee file) from management and:
 - a) Observe that the board followed the established process to issue or renew the license.
 - b) Observe the documentation contains evidence that the licensee meets or continues to meet (if renewal) the licensure requirements established by the board or statute, as applicable.
 - c) Observe that the license was granted or approved by the board or the designated board member(s), as applicable.

Results:

Not applicable.

11. For levee districts, obtain independent confirmation of the tax amounts received from the appropriate parish Sheriff's offices. Observe that the confirmed amount agrees to the amount deposited by levee district.

Results:

Procedure performed without exception.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

12. Obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employees' job duties (if the agency has no written

policies and procedures, 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.
- b) At least two employees are involved in processing and approving payments to vendors.
- 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.
- 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:

Procedure a) and b) performed without exception. For procedure c), there is not another employee responsible for periodically reviewing changes to vendor files. For procedure d), the employee who mails the check is responsible for processing payments.

13. Obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements which are addressed in separate sections below) and obtain management's representation that the population is complete. Randomly select 5 disbursements, obtain supporting documentation (e.g. purchase requisition, invoices, receipts, receiving slips) for each transaction and:

Select random 5 expenses from the Expense Detail

- a) Observe that the disbursement matched the related original invoice/billing statement.
- b) Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #12, as applicable.

Results:

Procedure performed without exception.

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

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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. Randomly select 2 monthly statements or combined statements for each card (for a debit card, randomly select 2 monthly bank statements), 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 (or electronically 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:

Not applicable. The Board does not have active credit cards, bank debit cards, fuel cards, or P-cards.

15. Obtain supporting documentation for all transactions included on the monthly statements or combined statements selected in #13 above. 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) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Results:

Not applicable. The Board does not have active credit cards, bank debit cards, fuel cards, or P-cards.

Travel and Travel-Related Expense Reimbursements (excluding card transactions).

16. Obtain from management a listing of all travel and travel-related expense reimbursements paid to employees and board members 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:
 - a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana in PPM49 (<https://www.doa.la.gov/pages/osp/travel/TravelPolicy.aspx>) or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - 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).
 - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results:

Not applicable. There were no travel expense reimbursements.

Contracts

17. 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. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management’s representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner’s contract, and:

- a) Observe that the contract was bid in accordance with the Louisiana Procurement Code or the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
- b) Observe that the contract was approved by the governing body/board, if required by policy.
- c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.
- 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:

Not applicable. The District does not have any agreements/contracts.

Payroll and Personnel

18. Obtain a listing of employees employed during the fiscal period, and management's representation that the listing is complete. Randomly select 5 employees (or select all employees if less than 5), obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results:

Procedure performed without exception.

19. Randomly select 2 pay periods during the fiscal period. For the employees selected under #18 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observe that supervisors approved the attendance and leave of the selected employees.
 - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Results:

Procedure performed without exception.

20. Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees' cumulative leave records, and agree the pay rates to the employees' authorized pay rates in the employees' personnel files.

Results:

Procedure performed without exception.

21. 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:

Procedure performed without exception.

Ethics

22. Using the 5 randomly selected employees from procedure #17 under “Payroll and Personnel” above obtain ethics documentation from management, and:
- a) Observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.
 - b) Observe that the documentation demonstrates each employee attested through signature verification that he or she has read the entity’s ethics policy during the fiscal period.

Results:

Procedure performed without exception for procedure a).

For procedure b), no employee attested through signature that he or she has read the entities ethics policy during the fiscal period.

23. Obtain a listing of board members from management. Randomly select 5 board members and observe documentation to demonstrate that required annual ethics training was completed.

Results:

One of the five board members selected did not have documentation that annual ethics training was completed.

Budget

24. Obtain a copy of the legally adopted budget, including all amendments, and the board minutes. Observe the minutes contain approval of the budget and amendments.

Results:

The board minutes did not contain approval of the budget.

25. Compare the total revenues and total expenditures of the final budget to actual total revenues and total expenditures on the financial statements or AFR. Report variances of 10% or greater.

Results:

Total expenditures exceeded budgeted expenditures by 16%.

26. Inquire of management whether the entity has updated its budget information in the DOA’s boards and commissions database referred to in #3 above for the current fiscal period (i.e. period covered in these procedures). Access the online database and obtain the budget information for the current fiscal period. Observe that the budget information contained in the database agrees to the budget adopted by the entity’s board.

Results:

Procedure performed without exception.

Debt Service

27. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

Results:

Not applicable.

28. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results:

Not applicable.

Sexual Harassment

29. Obtain and inspect the entity's written sexual harassment policies and procedures and observe that they address all requirements of R.S. 42:342-344, including agency responsibilities and prohibitions; annual employee training; and annual reporting requirements.

Results:

The District does not have a sexual harassment policy.

30. Obtain a listing of employees/board members employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/board members, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/board member completed at least one hour of sexual harassment training during the calendar year.

Results:

None of the employees/board members completed sexual harassment training.

31. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results:

The District does not have a sexual harassment policy.

32. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.

Results:

The District did not complete the annual sexual harassment report.

Other

33. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results:

Not applicable. Per management there were no misappropriations of public funds and assets during the fiscal year.

34. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. This notice is available for download or print at www.la.gov/hotline.

Results:

Procedure performed without exception.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Board and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Griffin & Furman, LLC

October 25, 2023

**RED RIVER LEVEE AND DRAINAGE DISTRICT
STATE OF LOUISIANA**

Schedule of Findings

For the Year Ended June 30, 2023

2023-1 – Written Policies and Procedures

Procedure: Obtain and inspect the entity’s written policies and procedures and observe that they address each of the following categories and subcategories:

- b) Purchasing
- c) Payroll/Personnel
- f) Contracting
- h) Travel and expense reimbursements
- i) Ethics
- k) Disaster Recovery/Business Continuity

Finding: For procedure b), the policy did not address how vendors are added to the vendor list.

For procedure e), the policy did not address reviewing and approving leave and overtime worked.

For procedure f), the policy did not address types of services requiring written contracts, standard terms and conditions, legal review, approval process, and monitoring process.

For procedure h), the policy did not address item dollar thresholds by category of expense.

For procedure i), the policy does not address item actions to be taken if an ethics violation takes place, system to monitor possible ethics violations, and requirement that all employees annually attest through signature verification that they have read the entity’s ethics policy.

For procedure k), the District does not have a policy.

Recommendation: We recommend the District revised the written policies to include the above items.

2023-2 – Board Meetings/Minutes

Procedure: Obtain and inspect the board minutes for the fiscal period, as well as the board’s enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons.
- c) Access the entity’s online information included in the DOA’s boards and commissions database (<https://wwwcfprd.doa.louisiana.gov/boardsandcommissions/home.cfm>) and observe that the entity submitted board meeting minutes for all meetings during the fiscal period.

Finding: For procedure b), the minutes did not indicate the District reviewed budget-to-actual comparisons.

For procedure c), the District did not submit board meeting minutes for three board meetings during the fiscal period.

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For the Year Ended June 30, 2023

***Recommendation:** We recommend the District review budget-to-actual comparisons during their meetings and document this in the Board minutes. We also recommend the District timely submit all minutes to the DOA's boards and commissions database.*

2023-3 – Receipts/Collection

***Procedure:** Obtain and inspect written policies and procedures relating to employees' job duties (if no written policies or procedures, inquire of employees about their job duties), and observe that job duties for collections are properly segregated such that:*

- a) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts or license applications received) to the deposit.
- b) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- c) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source are not responsible for collecting cash, unless another employee verifies the reconciliation.

***Finding:** There is only one office employee who is responsible for collecting cash/checks, making deposits, posting entries to the general ledger, and reconciling the bank accounts.*

***Recommendation:** We recommend the District consider ways to modify the current procedures to segregate these duties.*

2023-4 – Receipts/Collections

***Procedure:** Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.*

***Finding:** The District does not have a bond or insurance policy for employees who have access to cash.*

***Recommendation:** We recommend the District consider acquiring a bond or insurance policy for theft for all persons who have access to cash.*

2023-5 – Non-Payroll Disbursements

***Procedure:** Obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employees' job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:*

**RED RIVER LEVEE AND DRAINAGE DISTRICT
STATE OF LOUISIANA**

Schedule of Findings

For the Year Ended June 30, 2023

- 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.
- 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.

***Finding:** For procedure c), the District does not have another employee responsible for periodically reviewing changes to vendor files. For procedure d), the employee responsible for processing payments is the same one who mails signed checks.*

***Recommendation:** For procedure d), we recommend the District consider having another employee/official periodically review changes to vendor files.*

For procedure d), we recommend the District have someone mail the check who is not responsible for processing payments.

2023-6 – Ethics

***Procedure:** Using the 5 randomly selected employees from procedure #18 under “Payroll and Personnel” above: obtain ethics documentation from management, and:*

- b) Observe that the documentation demonstrates each employee attested through signature verification that he or she has read the entity’s ethics policy during the fiscal period.

***Finding:** No employee attested through signature that he or she has read the entities ethics policy during the fiscal period.*

***Recommendation:** We recommend the District ensure all employees attest through signature that he or she had read the District’s ethics policy during the fiscal period.*

2023-7 – Ethics

***Procedure:** Obtain a listing of board members from management. Randomly select 5 board members and observe documentation to demonstrate that required annual ethics training was completed.*

***Results:** One of five board members selected did not have documentation that the required annual ethics training was completed.*

***Recommendation:** We recommend the District retain documentation to demonstrate the required annual ethics training was completed.*

**RED RIVER LEVEE AND DRAINAGE DISTRICT
STATE OF LOUISIANA**

Schedule of Findings

For the Year Ended June 30, 2023

2023-8 – Budget

Procedure: Obtain a copy of the legally adopted budget, including all amendments, and the board minutes. Observe the minutes contain approval of the budget and amendments.

Finding: *The board minutes did not contain approval of the budget.*

Recommendation: *We recommend the District include the approval of the budget in the minutes.*

2023-9 – Budget

Procedure: Compare the total revenues and total expenditures of the final budget to actual total revenues and total expenditures on the financial statements or AFR. Report variances of 10% or greater.

Finding: *Total expenditures were more than the budgeted amount by 16% when comparing the budget to the AFR.*

Recommendation: *We recommend the District review the budget regularly and make amendments as needed.*

2023-10 – Sexual Harassment

Procedure: Obtain and inspect the entity’s written sexual harassment policies and procedures and observe that they address all requirements of R.S. 42:342-344, including agency responsibilities and prohibitions; annual employee training; and annual reporting requirements.

Finding: *The District does not have a sexual harassment policy.*

Recommendation: *We recommend the District adopt a sexual harassment policy that addresses all requirements of R.S. 42:342 - 344.*

2023-11 – Sexual Harassment

Procedure: Obtain a listing of employees/board members employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees/board members, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/board member completed at least one hour of sexual harassment training during the calendar year.

Finding: *None of the employees/board members completed the sexual harassment training.*

Recommendation: *We recommend the District ensure all employees/board members complete the annual sexual harassment training.*

**RED RIVER LEVEE AND DRAINAGE DISTRICT
STATE OF LOUISIANA**

Schedule of Findings

For the Year Ended June 30, 2023

2023-12 – Sexual Harassment

Procedure: Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

Finding: *The District does not have a sexual harassment policy.*

Recommendation: *We recommend the District create a sexual harassment policy and post the policy on the premises.*

2023-13 – Sexual Harassment

Procedure: Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.

Finding: *The District did not complete the annual sexual harassment report.*

Recommendation: *We recommend the District complete the annual sexual harassment report.*

RED RIVER LEVEE AND DRAINAGE DISTRICT
P.O. BOX 433
COUSHATTA, LA 71019

October 25, 2023

Griffin & Furman, LLC
205 E. Lockwood St.
Covington, LA 70433

Re: FY 2022-2023 Agreed Upon Procedures Schedule of Findings

Dear Mr. Furman,

In response to the above referenced Schedule of Findings, the Red River Levee and Drainage District acknowledges the finding and agrees to take the following corrective actions.

2023-1 – Written Policies and Procedures

Procedure: Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories:

- b) Purchasing
- e) Payroll/Personnel
- f) Contracting
- h) Travel and expense reimbursements
- i) Ethics
- k) Disaster Recovery/Business Continuity

Finding: For procedure b), the policy did not address how vendors are added to the vendor list.

For procedure e), the policy did not address reviewing and approving leave and overtime worked.

For procedure f), the policy did not address types of services requiring written contracts, standard terms and conditions, legal review, approval process, and monitoring process.

For procedure h), the policy did not address item dollar thresholds by category of expense.

For procedure i), the policy does not address item actions to be taken if an ethics violation takes place, system to monitor possible ethics violations, and requirement that all employees annually attest through signature verification that they have read the entity's ethics policy.

For procedure k), the District does not have a policy.

Recommendation: We recommend the District revised the written policies to include the above items.

Red River Levee and Drainage District corrective action: Will revise the policies.

COMMISSIONERS: William Waltman Jr.- President Dan Cason- Vice President Carl Carpenter- Commissioner
John Perkins- Commissioner Winn Almond- Commissioner
Marie Woodard- Office Assistant

2023-2 – Board Meetings/Minutes

Procedure: Obtain and inspect the board minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:

- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons.
- c) Access the entity's online information included in the DOA's boards and commissions database (<https://www.cfrd.louisiana.gov/boardsandcommissions/home.cfm>) and observe that the entity submitted board meeting minutes for all meetings during the fiscal period.

Finding: For procedure b), the minutes did not indicate the District reviewed budget-to-actual comparisons.

For procedure c), the District did not submit board meeting minutes for three board meetings during the fiscal period.

Recommendation: We recommend the District review budget-to-actual comparisons during their meetings and document this in the Board minutes. We also recommend the District timely submit all minutes to the DOA's boards and commissions database.

Red River Levee and Drainage District corrective action: The Board will review and document budget-to-actual comparisons. Minutes have been submitted and will continue to be submitted monthly.

2023-3 – Receipts/Collection

Procedure: Obtain and inspect written policies and procedures relating to employees' job duties (if no written policies or procedures, inquire of employees about their job duties), and observe that job duties for collections are properly segregated such that:

- a) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts or license applications received) to the deposit.
- b) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- c) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source are not responsible for collecting cash, unless another employee verifies the reconciliation.

Finding: There is only one office employee who is responsible for collecting cash/checks, making deposits, posting entries to the general ledger, and reconciling the bank accounts.

Recommendation: We recommend the District consider ways to modify the current procedures to segregate these duties.

Red River Levee and Drainage District corrective action: We do not accept cash. The Board reviews all in the monthly meetings.

2023-4 – Receipts/Collections

Procedure: Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Finding: *The District does not have a bond or insurance policy for employees who have access to cash.*

Recommendation: *We recommend the District consider acquiring a bond or insurance policy for theft for all persons who have access to cash.*

Red River Levee and Drainage District corrective action: *We do not accept cash*

2023-5 – Non-Payroll Disbursements

Procedure: Obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employees' job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- 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.
- 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.

Finding: *For procedure c), the District does not have another employee responsible for periodically reviewing changes to vendor files. For procedure d), the employee responsible for processing payments is the same one who mails signed checks.*

Recommendation: *For procedure d), we recommend the District consider having another employee/official periodically review changes to vendor files.*

For procedure d), we recommend the District have someone mail the check who is not responsible for processing payments.

Red River Levee and Drainage District corrective action: *All checks require two signatures. The president or vice president reviews when signing.*

2023-6 – Ethics

Procedure: Using the 5 randomly selected employees from procedure #18 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- b) Observe that the documentation demonstrates each employee attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Finding: *No employee attested through signature that he or she has read the entities ethics policy during the fiscal period.*

Recommendation: *We recommend the District ensure all employees attest through signature that he or she had read the District's ethics policy during the fiscal period.*

Red River Levee and Drainage District corrective action: *All ethics certificates will be signed, to attest each one has read the policy.*

2023-7 – Ethics

Procedure: Obtain a listing of board members from management. Randomly select 5 board members and observe documentation to demonstrate that required annual ethics training was completed.

Results: *One of five board members selected did not have documentation that the required annual ethics training was completed.*

Recommendation: *We recommend the District retain documentation to demonstrate the required annual ethics training was completed.*

Red River Levee and Drainage District corrective action: *All members will complete the training.*

2023-8 – Budget

Procedure: Obtain a copy of the legally adopted budget, including all amendments, and the board minutes. Observe the minutes contain approval of the budget and amendments.

Finding: *The board minutes did not contain approval of the budget.*

Recommendation: *We recommend the District include the approval of the budget in the minutes.*

Red River Levee and Drainage District corrective action: *The minutes will include budget approval moving forward.*

2023-9 – Budget

Procedure: Compare the total revenues and total expenditures of the final budget to actual total revenues and total expenditures on the financial statements or AFR. Report variances of 10% or greater.

Finding: *Total expenditures were more than the budgeted amount by 16% when comparing the budget to the AFR.*

Recommendation: *We recommend the District review the budget regularly and make amendments as needed.*

Red River Levee and Drainage District corrective action: *The Board will review the budget and document in the minutes and amendments will be made as needed.*

2023-10 – Sexual Harassment

Procedure: Obtain and inspect the entity's written sexual harassment policies and procedures and observe that they address all requirements of R.S. 42:342-344, including agency responsibilities and prohibitions; annual employee training; and annual reporting requirements.

Finding: *The District does not have a sexual harassment policy.*

Recommendation: *We recommend the District adopt a sexual harassment policy that addresses all requirements of R.S. 42:342 - 344.*

Red River Levee and Drainage District corrective action: *The Board will adopt a sexual harassment policy.*

2023-11 – Sexual Harassment

Procedure: Obtain a listing of employees/board members employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/board members, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/board member completed at least one hour of sexual harassment training during the calendar year.

Finding: *None of the employees/board members completed the sexual harassment training.*

Recommendation: *We recommend the District ensure all employees/board members complete the annual sexual harassment training.*

Red River Levee and Drainage District corrective action: *This will be included with the ethics training.*

2023-12 – Sexual Harassment

Procedure: Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Finding: *The District does not have a sexual harassment policy.*

Recommendation: *We recommend the District create a sexual harassment policy and post the policy on the premises.*

Red River Levee and Drainage District corrective action: *A policy will be created and posted on the premises.*

2023-13 – Sexual Harassment

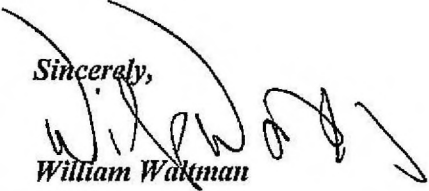
Procedure: Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.

Finding: *The District did not complete the annual sexual harassment report.*

Recommendation: *We recommend the District complete the annual sexual harassment report.*

Red River Levee and Drainage District corrective action: *We will look into the report.*

Sincerely,


William Walkman
President

**RED RIVER LEVEE AND DRAINAGE DISTRICT
STATE OF LOUISIANA**

Status of Prior Year Findings

For the Year Ended June 30, 2023

2022-1 – Board Meetings/Minutes

Procedure: Observe that the minutes referenced or included monthly budget-to-actual comparisons.

Finding: For procedure b), the District did not compare budget-to-actual. For procedure c), the District did not submit board meeting minutes for 3 board meeting during the fiscal period.

Recommendation: We recommend the District include budget-to-actual comparisons in the minutes and to submit board meeting minutes to the DOA's boards and commissions database.

Status: Unresolved. See 2023-2.

2022-2 – Receipts/Collection

Procedure: Obtain and inspect written policies and procedures relating to employees' job duties (if no written policies or procedures, inquire of employees about their job duties), and observe that job duties for collections are properly segregated such that:

- a) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts or license applications received) to the deposit.
- b) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- c) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source are not responsible for collecting cash, unless another employee verifies the reconciliation.

Finding: There is only one office employee and she is responsible for collecting cash/checks, making deposits, posting entries to the general ledger, and reconciling the bank accounts.

Recommendation: We recommend the District consider adding procedures to meet the proper segregations.

Status: Unresolved. See 2023-3.

2022-3 – Receipts/Collections

Procedure: Randomly select 5 deposit dates for each of the bank accounts (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log,*

**RED RIVER LEVEE AND DRAINAGE DISTRICT
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Status of Prior Year Findings

For the Year Ended June 30, 2023

daily revenue report, receipt book, etc. Obtain supporting documentation for each of the 5 deposits for each bank account and:

- a) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

Finding: *All of the deposits tested did not have any collection documentation and forms are not pre-numbered.*

Recommendation: *We recommend the District have all collection documentation.*

Status: *Resolved.*

2022-4 - Receipts/Collections

Procedure: Obtain and inspect written policies and procedures (if no written policies and procedures, inquire to management) and observe that there is a process performed to determine completeness of all collections, including electronic transfers, for each revenue source (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued) by a person who is not responsible for collections.

Finding: *There is no process currently to determine the completeness of collections.*

Recommendation: *We recommend the District have a process to determine completeness.*

Status: *Resolved.*

2022-5 – Non-Payroll Disbursements

Procedure: Obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employees' job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

- 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.
- 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.

Finding: *There is no segregation related to the procedures above.*

Recommendation: *We recommend the District update the procedures to have disbursements properly segregated.*

**RED RIVER LEVEE AND DRAINAGE DISTRICT
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For the Year Ended June 30, 2023

Status: Unresolved. See 2023-5.

2022-6 – Non-Payroll Disbursements

Procedure: Obtain the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements which are addressed in separate sections below) and obtain management’s representation that the population is complete. Randomly select 5 disbursements, obtain supporting documentation (e.g. purchase requisition, invoices, receipts, receiving slips) for each transaction and:

- b) Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #12, as applicable.

Finding: *There is only one office employee in the procedures.*

Recommendation: *We recommend the District update the procedures to have disbursements properly segregated.*

Status: Resolved.

2022-7– Budget

Procedure: Obtain a copy of the legally adopted budget, including all amendments, and the board minutes. Observe the minutes contain approval of the budget and amendments.

Finding: *The board minutes did not contain approval of the budget.*

Recommendation: *We recommend the District approve the budget in the minutes.*

Status: Unresolved. See 2023-8.

2022-8 – Sexual Harassment

Procedure: Obtain and inspect the entity’s written sexual harassment policies and procedures and observe that they address all requirements of R.S. 42:342-344, including agency responsibilities and prohibitions; annual employee training; and annual reporting requirements.

Finding: *The District does not have a sexual harassment policy.*

Recommendation: *We recommend the District create a policy that address all requirements of R.S. 42:342 – 344.*

Status: Unresolved. See 2023-10.

**RED RIVER LEVEE AND DRAINAGE DISTRICT
STATE OF LOUISIANA**

Status of Prior Year Findings

For the Year Ended June 30, 2023

2022-9 – Sexual Harassment

Procedure: Obtain a listing of employees/board members employed during the fiscal period and management’s representation that the listing is complete. Randomly select 5 employees/board members, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/board member completed at least one hour of sexual harassment training during the calendar year.

Finding: *None of the employees/board members completed the sexual harassment training.*

Recommendation: *We recommend the District ensure all employees/board members complete the annual sexual harassment training.*

Status: *Unresolved. See 2023-11.*

2022-10 – Sexual Harassment

Procedure: Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).

Finding: *The District does not have a sexual harassment policy.*

Recommendation: *We recommend the District create a sexual harassment policy and post the policy on the premises.*

Status: *Unresolved. See 2023-12.*

2022-11 – Sexual Harassment

Procedure: Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.

Finding: *The District did not complete the annual sexual harassment report.*

Recommendation: *We recommend the District complete the annual sexual harassment report.*

Status: *Unresolved. See 2023-13.*

2022-12 – Other

Procedure: Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. This notice is available for download or print at www.la.la.gov/hotline.

**RED RIVER LEVEE AND DRAINAGE DISTRICT
STATE OF LOUISIANA**

Status of Prior Year Findings

For the Year Ended June 30, 2023

***Finding:** The District did not post the notice on its premises.*

***Recommendation:** We recommend the District post the notice on its premises.*

***Status:** Resolved.*