

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND
TENSAS, LOUISIANA

Financial Statements
For the Year Ended June 30, 2022

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER BOARD
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report -----	1-3
<u>Governmental Activities</u>	
Basic Financial Statements	
Governmental Funds Balance Sheet/	
Statement of Net Position -----	4
Statement of Governmental Fund Revenues, Expenditures and	
Changes in Fund Balance/Statement of Activities -----	5
Notes to Financial Statements -----	6-12
Required Supplemental Information	
Budgetary Comparison Schedules	
General Fund -----	13
Notes to Budgetary Comparison Schedule -----	14
<u>OTHER SUPPLEMENTAL INFORMATION</u>	
Schedule of Compensation, Reimbursements, Benefits and Other Payments to	
Agency Head, Political Subdivision Head, or Chief Executive Officer -----	15
Justice System Funding Reporting Schedule – Receiving Entity -----	16
Independent Auditor's Report on Internal Control Over	
Financial Reporting And on Compliance and Other Matters	
Based on an Audit of Financial Statements Performed in Accordance	
With <i>Government Auditing Standards</i> -----	17-18
Schedule of Findings and Questioned Costs -----	19-21
Schedule of Prior Year Findings -----	22-23
Independent Accountant's Report on Applying Agreed Upon Procedures -----	24-36

DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT AUDITOR'S REPORT

Sixth Judicial District Public Defender
Parishes of East Carroll, Madison and Tensas, Louisiana

Report on the Audit of the Financial Statements

Opinions

I have audited the accompanying financial statements of the governmental activities of the Sixth Judicial District Public Defender, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Public Defender's basic financial statements as listed in the table of contents.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Sixth Judicial District Public Defender, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

I conducted my 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. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Sixth Judicial District Public Defender and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sixth Judicial District Public Defender's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Sixth Judicial District Public Defender
Parishes of East Carroll, Madison and Tensas, Louisiana

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Public Defender's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Sixth Judicial District Public Defender's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters the I identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information 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.

Sixth Judicial District Public Defender
Parishes of East Carroll, Madison and Tensas, Louisiana

I have applied certain limited procedures to the required supplementary information 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 my inquiries, the basic financial statements, and other knowledge I obtained during the audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurances.

Management has omitted Management's Discussion and Analysis 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Other Information

The Schedule of Compensation, Benefits and Other Payments to Agency Head and the Justice System Funding Reporting Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Compensation, Benefits and Other Payments to Agency Head and Justice System Funding Reporting Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated September 1, 2022 on my consideration of the Sixth Judicial District Public Defender's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Sixth Judicial District Public Defender's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Sixth Judicial District Public Defender's internal control over financial reporting and compliance.

David M. Ward, CPA (NPAC)

West Monroe, Louisiana
September 1, 2022

GOVERNMENTAL ACTIVITIES

**THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
GOVERNMENTAL FUNDS BALANCE SHEET/STATEMENT OF NET POSITION
JUNE 30, 2022**

	General Fund	Adjustments	Statement of Net Position
Assets			
Cash and Cash Equivalents	\$ 181,880	\$ -	\$ 181,880
Receivables	35,977	-	35,977
Capital Assets, Net of Accumulated Depreciation	-	36	36
Total Assets	<u>217,857</u>	36	217,893
Liabilities			
Accounts Payable	1,707	-	1,707
Withheld and Accrued Payroll Taxes	2,605	-	2,605
Total Liabilities	4,312	-	4,312
Fund Balances/Net Position			
Fund Balances:			
Unassigned, Reported In: General Fund	213,545	(213,545)	-
Total Fund Balances	<u>213,545</u>	<u>(213,545)</u>	-
Total Liabilities and Fund Balances	<u>\$ 217,857</u>	<u>(213,545)</u>	4,312
Net Position			
Net Investment in Capital Assets	36	36	
Unrestricted	213,545	213,545	
Total Net Position	<u>\$ 213,581</u>	<u>\$ 213,581</u>	

The accompanying notes are an integral part of this financial statement.

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES/STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Adjustments	Statement of Activities
Expenditures/Expenses			
Judiciary			
Personal Services	\$ 153,100	\$ -	\$ 153,100
Related Benefits	40,350	-	40,350
Travel and Professional Development	25	-	25
Operating Services	404,504	-	404,504
Operating Supplies	4,234	-	4,234
Capital Outlay	-	-	-
Depreciation	-	217	217
 Total Expenditures/Expenses	 602,213	 217	 602,430
 Program Revenues			
Charges for Services	 8,904	 -	 8,904
 Net Program Expenses	 (593,309)	 (217)	 (593,526)
 General Revenues			
State Grants	185,041	-	185,041
Court Costs on Fines	353,209	-	353,209
Investment Earnings	309	-	309
Other	-	-	-
 Total General Revenues	 538,559	 -	 538,559
 Excess (Deficiency) of Revenues Over Expenditures	 (54,750)	 (217)	 (54,967)
 Fund Balance/Net Position:			
Beginning of the Year	 268,295	 253	 268,548
 End of the Year	 \$ 213,545	 \$ 36	 \$ 213,581

The accompanying notes are an integral part of this financial statement.

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Introduction

The Sixth Judicial District Public Defender (Public Defender), established in compliance with Louisiana Revised Statute 15:144-149, provides counsel to represent indigents (needy individuals) in criminal and quasi-criminal cases at the district court level. The Judicial District encompasses the Parishes of East Carroll, Madison and Tensas, Louisiana. Revenues to finance the Public Defender's operations are provided primarily from court costs on fines imposed by the various courts within the Judicial District, bail bond revenues, and Louisiana Indigent Defender Board grants. The Public Defender has three employees, two who serve as investigators and one as an office assistant. Four attorneys serve as public defenders.

Note 1 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying basic financial statements of the Sixth Judicial District Public Defender have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statements - and Management's Discussion and Analysis – for State and Local Governments*, issued in June 1999.

Reporting Entity

The Public Defender is part of the operations of the District Court System. However, the District Court System is fiscally dependent on the East Carroll, Madison and Tensas Parish Police Juries for office space and courtrooms. In addition, the Police Juries basic financial statements would be incomplete or misleading without inclusion of the Public Defender. For these reasons, the Public Defender was determined to be a component unit of the East Carroll, Madison and Tensas Police Juries, the financial reporting entities.

The accompanying financial statements present information only on the funds maintained by the Public Defender and do not present information on the Police Juries, the general government services provided by those governmental units, or the other governmental units that comprise the financial reporting entity.

Fund Accounting

The Public Defender uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions and activities. A fund is defined as a separate fiscal and accounting entity with a self –balancing set of accounts.

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

Governmental Funds

Governmental funds account for all or most of the Public Defender's general activities. These funds focus on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the Public Defender. The following are the Public Defender's governmental funds:

General Fund – the primary operating fund of the Public Defender. It accounts for all financial resources, except those required to be accounted for in other funds. The General Fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws.

Other Fund – accumulates the proceeds for the Louisiana Public Defender Board grants and their related expenditures.

Measurement Focus/Basis of Accounting

Fund Financial Statements -

The amounts reflected in the General Fund are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures and changes in fund balance reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled to a government-wide view of Public Defender operations.

The amounts reflected in the General Fund use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Public Defender considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expandable available financial resources. The governmental funds use the following practices in recording revenues and expenditures:

Revenues – In the General Fund, court costs on fines and forfeitures imposed by the Public Defender and city courts, and bail bond revenues are recorded in the year they are collected by tax collectors or Parish Sheriff, provided they are received within 60 days of the fiscal year end.

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

Fund Financial Statements (continued) –

Expenditures – Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Government-Wide Financial Statements (GWFS) –

The Statement of Net Position and Statement of Activities display information about the Public Defender as a whole. These statements include all the financial activities of the Public Defender. Information contained in these Statements reflects the economic resources measurement focus and the accrual basis of accounting.

Program Revenues –

Program revenue included in the Statement of Activities is derived directly from Public Defender users as a fee for services; program revenues reduce the cost of the function to be financed from the Public Defender's general revenues.

Budgets

The Public Defender adopted a budget as part of the funding requirement for the year ended June 30, 2022.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Public Defender may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Capital Assets

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. The Public Defender maintains a level of \$500 or more for capitalizing capital assets.

Capital assets are recorded in the Statement of Net Position and Statement of Activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets are depreciated using the straight line method over their estimated lives. Furniture and fixtures have a five to seven year useful life.

Compensated Absences

All salaried employees are granted one day of personal/sick leave every month for a total of 12 days. Vacation days earned vary based on years of employment from 5 days up to 20 days.

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

Fund Equity

GASB Statement No. 54 establishes standards for five fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in government funds. The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

Restricted Fund Balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the board of directors. Those committed amounts cannot be used for any other purpose unless the board of directors removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Fund Balance – This classification reflects the amounts constrained by the Public Defender's "intent" to be used for specific purposes, but are neither restricted nor committed. The board of directors and management has the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

Unassigned Fund Balance – This fund balance is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Note 1 - Summary of Significant Accounting Policies (continued)

Fund Equity (continued)

When both restricted and unrestricted resources are available for use, it is the council's policy is to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

Note 2 - Cash and Cash Equivalents

Under state law, the Public Defender fund may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2022, the Public Defender fund has cash and cash equivalents (book balances) totaling \$181,880.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, the deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market 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. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Public Defender fund that the fiscal agent bank has failed to pay deposited funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Public Defender's name.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These deposits are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Cash (bank balances) at June 30, 2022, total \$202,505 and are fully secured by federal deposit insurance and pledged securities.

Note 3 - Receivables

The receivables at June 30, 2022 are as follows:

<u>Class of Receivable</u>	<u>Governmental Fund</u>	<u>Government – Wide</u>
Fines and Forfeitures	\$ 35,977	\$ 35,977

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Note 4 - Changes in Capital Assets

Capital assets and depreciation activity as of and for the year ended June 30, 2022, is as follows:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
<u>Governmental Activities</u>				
Furniture and Equipment	\$ 11,822	\$ -	\$ -	\$ 11,822
Storage Building	<u>3,251</u>	<u>-</u>	<u>-</u>	<u>3,251</u>
Total Governmental Activities	15,073	-	-	15,073
Less: Accumulated Depreciation				
Furniture and Equipment	11,819	-	-	11,819
Storage Building	<u>3,001</u>	<u>217</u>	<u>-</u>	<u>3,218</u>
Total	<u>14,820</u>	<u>217</u>	<u>-</u>	<u>15,037</u>
Capital Assets – Net	<u>\$ 253</u>	<u>\$(217)</u>	<u>\$ -</u>	<u>\$ 36</u>

Depreciation expense was \$217 for the year ended June 30, 2022.

Note 5 - Risk Management

The Public Defender currently carries no insurance. The attorneys are reimbursed a portion of their professional liability premium.

Note 6 - Contingencies

The Public Defender receives State grants for specific purposes that are subject to review and audit by State agencies. Such audits could result in a request for reimbursement for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the Public Defender, such disallowances, if any, will not be significant.

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Note 8 - Governmental Revenues and Expenditures

For the year ended June 30, 2022, the major sources of governmental fund revenues and expenditures were as follows:

Revenue

State Government Appropriation – General	\$ 185,041
Local Government	353,209
Charges for Services	8,904
Investment Earnings	309
Total Revenues	<u>\$ 547,463</u>

Expenditures

Personal Services and Benefits

Salaries	\$ 153,100
Insurance	27,418
Payroll Taxes	<u>12,932</u>
Total	<u>193,450</u>

Professional Development

Dues, Licenses and Regulations	25
Travel	<u> </u>
Total	25

Operating Costs

Library and Research	2,394
Contract Services – Attorney/Legal	329,172
Contract Services – Other	36,180
Lease – Office	7,900
Travel – Transportation	3,176
Travel – Other	-
Insurance	14,353
Supplies	4,234
Repairs and Maintenance	993
Utilities and Telephone	9,583
Capital Outlay	-
Other	753

Total Expenditures \$ 602,212

Note 9 Subsequent Events

Subsequent events were evaluated through September 1, 2022, which is the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULES

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Amended Budget	Actual	Variances Favorable (Unfavorable)
Revenues				
State Revenue	166,105	\$ 176,236	\$ 185,041	\$ 8,805
Court Fees and Costs Assessed	250,000	302,222	319,743	17,521
Bond Fees and Forfeitures	30,000	35,011	33,466	(1,545)
Application Fees	8,000	9,000	8,904	(96)
Other Revenue	-	-	-	-
Interest Revenue	-	309	309	-
Total Revenue	454,105	522,778	547,463	24,685
Expenditures				
Salaries	110,400	153,100	153,100	-
Dues and Seminars	3,700	2,304	25	2,279
Medical Insurance	29,637	27,418	27,418	-
Travel	3,600	3,330	3,176	154
Contract Services	330,000	303,742	310,242	(6,500)
Facilities Rent	7,200	7,900	7,900	-
Office Repairs and Maintenance	2,203	2,524	993	1,531
Office Supplies	2,500	3,861	4,234	(373)
Office Expense	-	-	-	-
Payroll Taxes	14,581	11,938	12,932	(994)
Workers Comp Insurance	3,000	3,082	3,082	-
Malpractice Insurance	16,000	11,271	11,271	-
Accounting Fees	9,500	7,855	7,680	175
Conflict	27,000	53,930	47,430	6,500
Telephone and Utilities	6,581	8,766	9,583	(817)
Library, Journals and Subscriptions	6,000	-	2,394	(2,394)
Miscellaneous	200	799	753	46
Total Expenditures	572,102	601,820	602,213	(393)
Excess of Revenue Over Expenditures	(117,997)	(79,042)	(54,750)	24,292
Fund Balance - Beginning of the Year	249,032	249,032	268,296	19,264
Fund Balance - End of the Year	131,035	\$ 169,990	\$ 213,546	\$ 43,556

The accompanying notes are an integral part of this financial statement.

SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
NOTES TO BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2022

A proposed budget, prepared on the modified accrual basis of accounting, is published in the official journal at least ten days prior to the public hearing. A public hearing is held at the Sixth Judicial District Public Defender's office during the month of June for comments from taxpayers. The budget is then legally adopted by the Public Defender fund. The budget is established and controlled by the Public Defender at the object level of expenditures. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is employed as a management control device during the year. Budgeted amounts included in the accompanying budgetary comparison schedule include the original adopted budget amounts and all subsequent amendments.

OTHER SUPPLEMENTAL INFORMATION

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO
AGENCY HEAD OR CHIEF EXECUTIVE OFFICER
FOR THE YEAR ENDED JUNE 30, 2022

	John Hogue Public Defender	John Ellis Previous Public Defender
Purpose:		
Salary	\$ 62,500	\$ 16,500
Hospitalization Insurance	6,690	-
Travel Reimbursements	1,599	-
Total	<u><u>\$ 70,789</u></u>	<u><u>\$ 16,500</u></u>

THE SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA

JUSTICE SYSTEM FUNDING SCHEDULE - RECEIVING ENTITY
FOR THE YEAR ENDED JUNE 30, 2022

	First Six Month Period Ended <u>12/31/2021</u>	Second Six Month Period Ended <u>6/30/2022</u>
Receipts From:		
Louisiana State Appropriations	\$ 166,105	\$ 18,935
East Carroll Parish Clerk, Civil Court Costs	43	5,374
East Carroll Parish Sheriff, Criminal Court Costs/Fees	50,145	59,866
Madison Parish Clerk, Civil Court Costs	10,497	10,788
Madison Parish Sheriff, Criminal Court Costs/Fees	42,804	111,202
Tensas Parish Clerk, Civil Court Costs	5,073	1,691
Tensas Parish Sheriff, Criminal Court Costs/Fees	22,944	32,782
 Total Receipts	 <u>\$ 297,611</u>	 <u>240,638</u>
 Ending Balance of Amounts Assessed But Not Received	 <u>\$ -</u>	 <u>\$ -</u>

DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

**INDEPENDENT AUDITOR'S 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**

Sixth Judicial District Public Defender
East Carroll, Madison and Tensas Parishes

I have audited, 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 of the Sixth Judicial District Public Defender as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Sixth Judicial District Public Defender's basic financial statements and have issued my report thereon dated September 1, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Sixth Judicial District Public Defender's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Sixth Judicial District Public Defender's internal control. Accordingly, I do not express an opinion on the effectiveness of the Sixth Judicial District Public Defender'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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Public Defender's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is 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.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified. I did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that I consider to be significant deficiencies as item 22-1.

Sixth Judicial District Public Defender
East Carroll, Madison and Tensas Parishes
Page 2

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Public Defender's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and questioned costs as item 22-2.

Sixth Judicial District Public Defender's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Sixth Judicial District Public Defender's response to the findings identified in my audit and described in the accompanying schedule of findings and questioned costs. The Sixth Judicial District Public Defender's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, I express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 Public Defender's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. The purpose of this report is for the information of management and the Legislative Auditor and is not intended to be or should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is to be distributed by the Legislative Auditor as a public document.

West Monroe, Louisiana
September 1, 2022

SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

Sixth Judicial District Public Defender
East Carroll, Madison and Tensas Parishes, Louisiana

I have audited the financial statements of the Sixth Judicial District Public Defender as of and for the year ended June 30, 2022, and have issued my report thereon dated September 1, 2022. I conducted my 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. My audit of the financial statements as of June 30, 2022, resulted in an unqualified opinion.

Section I- Summary of Auditor's Results

A. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weakness	____ yes <input checked="" type="checkbox"/> no
Significant Deficiencies not considered to be Material Weaknesses	<input checked="" type="checkbox"/> yes ____ no

Compliance

Compliance Material to Financial Statements	<input checked="" type="checkbox"/> yes ____ no
---	---

B. Federal Awards – N/A

Material Weakness Identified	____ yes ____ no
Significant Deficiencies not considered to be Material Weaknesses	____ yes ____ no

Type of Opinion on Compliance For Major Programs (No Major Programs)

Unqualified	____	Qualified	____
Disclaimer	____	Adverse	____

Are their findings required to be reported in accordance with the Uniform Guidance (a)? N/A

C. Identification of Major Programs: N/A

Name of Federal Program (or cluster)
CFDA Number(s)

Dollar threshold used to distinguish between Type A and Type B Programs. N/A

Is the auditee a “low-risk” auditee, as defined by the Uniform Guidance? N/A

SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022 (continued)

22-1 Improving Segregation of Cash Duties

Condition:

At present, only one employee handles all aspects of the accounting system. She is responsible for, or has access to, the handling, recording and mailing of cash disbursements and receipts. Currently, she is the only person that is trained to do this job.

Criteria & Effect:

A fundamental concept in a good system of internal control is the segregation of duties.

Recommendation:

Although the size of the Public Defender's accounting staff prohibits complete adherence to this concept, I believe the following practices could be implemented to improve existing internal control without impairing efficiency.

- Mail should be opened by an employee not responsible for accounting, such as the head of the Public Defender's office. Cash receipts could be recorded and the deposit prepared by this person.
- Bank statements, cancelled checks, etc. should be received by someone other than the employee maintaining cash records. Such items could be periodically reviewed prior to turning them over for reconciliation. Unusual items noted during the review should be investigated promptly.
- Signed checks should be also mailed without allowing them to be returned to the employee responsible for accounts payable.
- Management should review supporting documents for normal recurring disbursements (not usually reviewed) on a spot-check basis. Non routine testing would aid in ensuring compliance with policy for all disbursements.
- Credit card statements should be reviewed monthly by the head of the Public Defender's office.

Also, the Public Defender should consider hiring another person to train to help the accountant and assist her in her daily duties.

Response:

The Public Defender has the opportunity to review the bank statements and reconciliations at any time. The monthly invoices are also reviewed. Two signatures are required on all checks written and the head of the Public Defender's office generally reviews each invoice prior to his signature. The cost of hiring a second employee to provide these safeguards far outweigh the benefits.

SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022 (continued)

22-2 Original Budget Not Legally Adopted

Condition:

The fiscal year 2022 budget was not published, a public hearing was not held and it was not legally adopted in June 2021.

Criteria:

According to the Louisiana Budget Law, these procedures should be adhered to when adopting a legal budget.

Effect:

The Public Defender's is not in compliance with the Louisiana Budget Law.

Recommendation:

None

Response:

The new Public Defender was hired in November 2021 and did publish the proposed amended fiscal year 2022 budget along with the proposed fiscal year 2023 budget in June 2022. A public hearing was held for comments from taxpayers and the amended 2022 budget along with the proposed 2023 budget was approved.

SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
STATUS OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

21-1 Improving Segregation of Cash Duties

Condition:

At present, only one employee handles all aspects of the accounting system. She is responsible for, or has access to, the handling, recording and mailing of cash disbursements and receipts. Currently, she is the only person that is trained to do this job.

Recommendation:

Although the size of the Public Defender's accounting staff prohibits complete adherence to this concept, I believe the following practices could be implemented to improve existing internal control without impairing efficiency.

- Mail should be opened by an employee not responsible for accounting, such as the head of the Public Defender's office. Cash receipts could be recorded and the deposit prepared by this person.
- Bank statements, cancelled checks, etc. should be received by someone other than the employee maintaining cash records. Such items could be periodically reviewed prior to turning them over for reconciliation. Unusual items noted during the review should be investigated promptly.
- Signed checks should be also mailed without allowing them to be returned to the employee responsible for accounts payable.
- Management should review supporting documents for normal recurring disbursements (not usually reviewed) on a spot-check basis. Non routine testing would aid in ensuring compliance with policy for all disbursements.
- Credit card statements should be reviewed monthly by the head of the Public Defender's office.

Also, the Public Defender should consider hiring another person to train to help the accountant and assist her in her daily duties.

Response:

The Public Defender has the opportunity to review the bank statements and reconciliations at any time. The monthly invoices are also reviewed. Two signatures are required on all checks written and the head of the Public Defender's office reviews each invoice prior to his signature. The cost of hiring a second employee to provide these safeguards far outweigh the benefits. See finding 22-1 for the year ended June 30, 2022.

SIXTH JUDICIAL DISTRICT PUBLIC DEFENDER
PARISHES OF EAST CARROLL, MADISON AND TENSAS, LOUISIANA
STATUS OF PRIOR YEAR FINDINGS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

21-2 Failure to comply with the Local Government Budget Act (LGBA)

Condition:

The LGBA requires budget amendments when total actual expenditures plus projected expenditures for the remainder of the year are exceeding the total budgeted expenditures by 5% or more.

The Public Defender's original budget provided for \$602,160 of revenues and the actual revenues were \$505,572. This budget variance exceeds the 5% allowed by the LGBA.

Recommendation:

The Public Defender should monitor its budget closely and make amendments as necessary.

Action Taken:

Management will monitor actual and budgeted expenditures more closely in the future, and will make amendments as necessary.

DAVID M. HARTT, CPA
A PROFESSIONAL ACCOUNTING CORPORATION

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Sixth Judicial District Public Defender and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Sixth Judicial District Public Defender (the Entity) 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, 2021 through June 30, 2022. The Entity's management is responsible for those C/C areas identified in the SAUPs.

Sixth Judicial District Public Defender has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and related exceptions obtained are described in the attachment to this report.

I was engaged by the Sixth Judicial District Public Defender to perform this agreed-upon procedures engagement and conducted my engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. I was not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

I am required to be independent of the Sixth Judicial District Public Defender and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my agreed-upon procedures engagement.

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

David M. Hartt, CPA (APAC)

West Monroe, Louisiana
September 1, 2022

Written Policies and Procedures

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
 - 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; 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 or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - 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, and (4) 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) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to 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) **Information Technology 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.
 - l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Exceptions

Currently, the Public Defender's office does not have written policies and procedures addressing purchasing, disbursements, receipts, and contracting. The Public Defender's office follows the Louisiana State Employees Guide to Travel Regulations for travel and expense reimbursement policy.

Board or Finance Committee

2. Obtain and inspect the board/finance committee 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/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Exceptions

The Public Defender does not have a board or finance committee.

Bank Reconciliations

3. Obtain a listing of entity 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 randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, 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 or 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); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exceptions

There is no evidence that a member of management with no involvement in the transactions associated with the bank accounts has reviewed each bank reconciliation.

Collections (excluding electronic funds transfers)

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) 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) to the deposit.
 - c) 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.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - c) Trace the deposit slip total to the actual deposit per the bank statement.
 - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
 - e) Trace the actual deposit per the bank statement to the general ledger.

Exceptions

All cash/checks/money order (cash) collection is done at four locations, each of the three parish courthouses and the Public Defender's office. There is only one employee that handles all aspects of the accounting process and she is not bonded. That employee receives the checks from three other agencies as well as State Appropriations and makes the deposit. A copy of the check received is made and put in the file and receipts are used.

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

8. 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).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee 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.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

10. For each location selected under #8 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 whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
 - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Exceptions

A listing of disbursements was obtained and from that, 25 disbursements were randomly selected. Requisition or purchase orders are not used in purchasing because they are not considered necessary and there is no approval on the invoices. There is only one employee in charge of all areas of the accounting function. This employee can add vendors to the computer system, has signatory authority, and initiates the purchase. She maintains blank checks in the filing cabinet and no signature stamp is used.

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

11. 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.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe whether 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) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]

- b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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.

Exceptions

The Public Defender’s office does not use any type of credit, debit, fuel or p-cards.

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

14. 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:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).
 - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe 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 each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Exceptions

A list of all travel and related expense reimbursements, by person, was obtained. From this list, 3 employees that incurred the most travel costs during the year were selected to test the reimbursement reports, itemized receipts, that the purpose was documented and all reviewed without exception. No exceptions were noted.

Contracts

15. 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 whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
 - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
 - 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 the invoice and related payment agreed to the terms and conditions of the contract.

Exceptions

The only contracts in effect with the Public Defender's office are contracts with four attorneys that work for the Public Defender, and the contracts are updated annually. The amount paid to each attorney monthly was compared to their individual contract without exception. Also, monthly rent is paid for the building which a lease is maintained.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
 - a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination

- payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.
19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Exceptions

No exceptions noted in the procedures above.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
- Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
 - Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Exceptions

All employees received the required ethics training. Inquired as to any alleged ethics violations being reported to them and there were none.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. 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).

Exceptions

The Public Defender's office has no debt.

Fraud Notice

23. 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.

24. Observe 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.

Exceptions

Inquired of management whether the Public Defender's office had any misappropriations of public funds or assets and there was none. The entity does not have posted on its premises, the notice required by R.S. 24:523.1.

Information Technology Disaster Recovery/Business Continuity

25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**

- a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Exceptions

I performed the procedure and discussed the results with management.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe 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).
28. 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 it includes the applicable requirements of R.S. 42:344:
 - a) Number and percentage of public servants in the agency who have completed the training requirements;
 - b) Number of sexual harassment complaints received by the agency;
 - c) Number of complaints which resulted in a finding that sexual harassment occurred;

- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Exceptions

Sexual harassment training was received by all employees.



1602 A Felicia Drive
Tallulah, LA 71282

Office (318) 574-2554
Fax (318) 574-2536

RESPONSE TO CERTAIN EXCEPTIONS NOTED IN AGREED-UPON PROCEDURES

TO: State of Louisiana

The Sixth Judicial District Public Defender's Office responds to the Exceptions below as follows:

Exceptions:

Currently, the Public Defender's office does not have written policies and procedures addressing purchases, disbursements, receipts, and contracting. The Public Defender's Office follows the Louisiana State Employees Guide to Travel Regulations for travel and expense reimbursement policy.

The Public Defender Office (hereinafter "Office") acknowledges the Exception(s) in part and will take corrective action in the FY23 fiscal year to address these matters. For instance, while not strictly following the Louisiana State Employees Guide to Travel Regulations, the Office has recently adopted a policy that as a general rule, all travel expenses approved for reimbursement are generally reimbursed at a rate no higher than the rates established by the Louisiana Travel Guide. The Office will develop written policies in FY23 to further address purchases, disbursements, receipts, and contracting.

Exceptions:

There is no evidence that a member of management with no involvement in the transactions associated with the bank accounts has reviewed each bank reconciliation.

The Office acknowledges the Exception(s) but due to the constraints of a small office with three employees and a limited budget, the Office does not have a member of management that is not generally involved in most transactions associated with bank accounts.

Exceptions:

All cash/checks/money order (cash) collection is done at one location, the Public Defender's office. There is only one employee that handles all aspects of the accounting process and she is not bonded. That employee receives the checks from three other agencies as well as State Appropriations and makes the deposit. A copy of the check received is made and put in the file and receipts are used.

The Office has received and reviewed the Exception(s) but due to the constraints of a small office with a limited budget and staff, corrective action will be limited to exploring the financial feasibility of bonding the employees who handle the small amount of cash that is received by the Office. Cash or money orders for indigency application fee can be collected at the Courthouses in St. Joseph, Tallulah, and Lake Providence in addition to the public defender office in Tallulah. Most of the funding received by the Office is in the form of checks except for direct deposits from the State of Louisiana.

Exceptions:

A listing of disbursements was obtained and from that, 25 disbursements were randomly selected. Requisition or purchase orders are not used in purchasing and there is no approval on the invoices. There is only one employee in charge of all areas of the accounting function. This employee can add vendors to the computer system, has signatory authority, and initiates the purchase. She maintains blank checks in the filing cabinet and no signature stamp is used.

The Office has reviewed the Exception(s) and will take corrective action as practicable in FY23 to address these matters. For instance, the Office will enact a policy to secure the blank checks under lock and key. As for approval of invoices, the District Defender does generally review and initial approval of the invoices and both Office Administrator/Manager Kathy Grady and District Defender John Hogue sign the check for payment.

Exceptions:

A list of all travel and related expense reimbursements, by person, was obtained. From this list, 3 employees that incurred the most travel costs during the year were selected to test the reimbursement reports, itemized receipts, that the purpose was documented and all reviewed without exception. The Public Defender's office follows the Louisiana State Employees Guide to Travel Regulations. The reimbursements are reviewed and approved by someone other than the person receiving reimbursement.

The Office has reviewed the Exceptions but due to the constraints of a small office with limited staff and budget, the Office does not have an employee that does not receive reimbursement of some kind. The Public Defender's Office only has three employees (District Defender John Hogue, Office Manager Kathy Grady, and Investigator Kimball Marshall) and all three employees have received reimbursement for at least travel; i.e., mileage. While not strictly following the Louisiana State Employees Guide to Travel Regulations, the Office has recently adopted a policy that as a general rule, all travel expenses approved for reimbursement are generally reimbursed at a rate no higher than the rates established by the Louisiana Travel Guide.

Prior to the adoption of this policy, mileage was reimbursed at or below the rate set by the Internal Revenue Service. Other expense reimbursement such as lodging and meals for the conference of the Public Defender Association of Louisiana (PDAL) and reimbursement of expenses such as bar dues was done upon approval of the District Defender upon verification of expenses.

Exceptions:

Inquired of management whether the Public Defender's office had any misappropriations of public funds or assets and there were none. The entity does not have posted on its premises, the notice required by R.S. 24:523.1.

The Office acknowledges the Exception(s) and has taken corrective action in FY23 by printing out and posting on the premises the notice required by R.S. 24:523.1.

Thanks for the opportunity to respond to certain exceptions and provide corrective action where appropriate. It is our desire to utilize best practices as appropriate within the strictures of a small public defender office.

Sincerely,



John Hogue
District Defender
Sixth Judicial District Public Defender's Office