



LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

October 20, 2014

## CATAHOULA PARISH HOSPITAL SERVICE DISTRICT NO. 2

More than \$9,700 in unauthorized fuel purchases were made on a Catahoula Parish Hospital Service District No. 2 gas card between 2012 and 2014, according to a report released Monday by Legislative Auditor Daryl Purpera.

Officials of the Sicily Island-based district reviewed gas purchases for the two-year period and determined there were \$9,719 of fuel charges with “no supporting documentation,” according to the report. “The misuse of the gas card suggests a weakness in the district’s procedures regarding proper documentation of credit card charges.”

The district’s audit was performed by the accounting firm of Rozier, Harrington and McKay of Alexandria. The hospital district serves residents of Catahoula, Concordia and parts of Tensas and Franklin parishes with three medical clinics and a dental clinic.

Hospital officials said in their response to the finding that the district attorney’s office has been contacted about the unauthorized fuel purchases, and the employee who was responsible for them has been terminated. They told auditors they now have better controls in place to monitor gas card use.

The report also said during the first half of the fiscal year ending December 31, 2013, the district was late in making contributions to an employee retirement program, but “during the latter portion of the current (2013 fiscal) year, the retirement plan contributions were remitted timely.” The report for the state auditor said although the hospital district has begun making retirement payments on time, “it could incur the imposition of substantial fines and penalties due to the failure to timely fund the district’s retirement plan contributions in the past.”

Auditors cited the district for failing to properly insure \$257,057 in a local bank at the close of the fiscal year. The report said the unsecured funds were a result of the district receiving a \$500,000 federal grant in the latter part of 2013. The \$500,000 grant was to be used to build a school-based health center at an elementary school.

In a separate finding, auditors noted that they were unable to determine whether reports and documents associated with the federal grant were filed within the required 30 to 180 days of the grant award. Although federal grant funds may only be requested as costs are incurred, the total \$500,000 grant was drawn down before construction of the clinic got under way, according to auditors.



LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

The report said that the district also failed to file required reports with the state for its grant to renovate a health clinic and implement an electronic records system by December 31, 2013. “The district remitted estimated expenses and duplicate expenses for reimbursement,” resulting in the state over-reimbursing the hospital district, according to the report.

Auditors also cited the district for filing a late audit report. The report was due in June but was not filed until a few weeks ago.

In separate management letter in the report, auditors said the district has not filed its 2013 Medicare cost reports, which were due May 31, 2014. “Failure to file the cost reports can result in penalties from Medicare, a reduction in Medicare funds, or the temporary complete removal of Medicare funding until the report is filed,” while filing the report could result in the hospital receiving additional Medicare funds.

The management letter also informed district officials that employees have “expressed concern” that pay raises approved by the hospital district board “were not implemented timely.” Auditors said district employees were also concerned that they had not received a pay check stub for several months. The report said employees should receive the stubs “immediately after each pay period.”

Hospital officials said in the report that they are working on solutions to the various problems identified by the auditors.

**For more information, contact:**

Daryl G. Purpera, CPA, CFE  
Legislative Auditor  
225-339-3800

**On Twitter:** More than \$9,700 in unauthorized fuel purchases made on Catahoula hospital district gas card.