



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

May 29, 2019

The Honorable John H. Lemoine, Mayor
And Members of the Council
City of Marksville
427 North Washington Street
Marksville, Louisiana 71351

Dear Mayor Lemoine:

As you are aware, my Investigative Audit staff visited the City of Marksville's Water Department (Utility System) to examine certain agency records. This letter briefly summarizes the results of our work. We stress the importance of addressing these issues and encourage you to consider our recommendations as you work to resolve the issues identified below.

Inadequate Financial Management of the Utility System

- The City has no written policies and procedures for the Utility System water meter and sewer deposits, customer billings, collections, reconciliation of accounts, personnel job responsibilities and safeguarding of public property.
- All three collection clerks perform all functions related to the funds they collect, including counting their own cash drawer, making their own deposits, posting their own entries into the utility billing software, and verifying their daily cash reports to the daily bank deposits, without any supervisory review.
- The four records of water meter and sewer deposits as of January 2019 do not agree:

| Water Meter and Sewer Deposit Balances as of January 2019 | |
|--|-----------|
| General Ledger | \$200,148 |
| Bank Statement | \$205,187 |
| Utility System Report | \$364,727 |
| Index Cards (manual records) | \$570,042 |

- Any clerk can make billing adjustments in the utility software without requiring supervisory approval.
- Four inactive accounts were found in a sample of 27 active water meter and sewer deposit index cards (14.8%). The water meter and sewer deposits were not refunded to those four inactive accounts at the time of our audit.

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- There is no camera in the room where the safe is located, even though all employees that collect utility payments have access to the safe; also, the safe was left open during our site visits.

Recommendations

We recommend that management:

- (1) institute written policies and procedures for water meter and sewer deposits, customer billings, billing adjustments, collections, reconciliation of accounts, job duties, and safeguarding of public property;
- (2) ensure that critical accounting functions are adequately segregated and monthly bank reconciliations are reviewed and all collections are deposited in a timely manner;
- (3) reconcile the utility billings, bank accounts, and general ledger accounts affiliated with utility collections;
- (4) reconcile the water meter and sewer deposits among the four sources listed on page 1;
- (5) ensure all accounts are reviewed and inactive water meter and sewer deposits are refunded;
- (6) place a camera in the room where the safe is located to further safeguard City assets;
and
- (7) ensure the safe is locked when not in use.

This correspondence represents our findings and recommendations. This correspondence is intended primarily for the information and use of management. I trust this information will assist you in the efficient and effective operation of the Utility System. If you have any questions, please contact Kevin Kelley or Troy Logarbo at (225) 339-3800.

Sincerely,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/aa

APPENDIX A

Management's Response

City of Marksville

427 N. WASHINGTON ST. / PHONE 318-253-9500 / MARKSVILLE, LA 71351

JOHN H. LEMOINE, MAYOR



HEATHER BREVILLE
SEC. TRES.
DERRICK WHITTINGTON
CITY ATTORNEY

COUNCIL MEMBERS

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District 1

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(MAYOR Pro-Tem)

District 2

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District 3

EDWARD C. CONWAY

District 4

CLYDE BENSON

District 5

May 21, 2019

Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor
Post Office Box 94397
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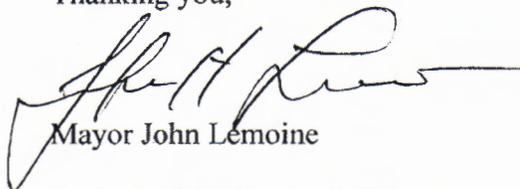
Dear Mr. Purpera,

We the Mayor and City Council of Marksville would like to thank the Legislative Auditors for taking the time to do an audit on our water department. The suggestions you have presented to us will help our water department operate more efficiently and serve our citizens better.

We are in the process of purging the account cards and doing away with the inactive and deposit refund accounts. We are speaking with a security company to install a camera over the safe. The safe will be locked when not in use. The employees are reconciling each other's counting of monies collected before deposits. Each employee is responsible for his or her assigned drawer and is not performing transactions or any type of financial business in other employee drawers.

We are in the process of implementing all recommendations you have given us to put in place.

Thanking you,



Mayor John Lemoine

cc: Roger Harris J.D. CCEP, CFI
Assistant Louisiana Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

"The City of Marksville is an equal opportunity provider and employer."