



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

July 10, 2013

The Honorable Kelly Sommer, Mayor,
and Board of Aldermen
Village of Creola
241 Grays Creek Road
Dry Prong, Louisiana 71423-3540

Dear Mayor Sommer:

As you are aware, my Advisory Services staff visited the Village of Creola (Village) to assess certain financial matters of the Village. My advisors completed their assessment and recently discussed their findings and recommendations with you, the Village Clerk, and the Assistant Police Chief. This letter briefly summarizes the results of our advisory work and we stress the importance of addressing and resolving the following matters as soon as possible:

- Lack of overall written policies and procedures for the financial/business operations of the Village
- Lack of segregation of duties within key financial processes
- No written plan developed and implemented for eliminating the deficit in fund balance
- Failure to provide the Board with monthly financial statements including budget-to-actual comparisons
- Failure to review and reconcile bank statements in a timely manner, including researching items that have not cleared the bank account
- Lack of information related to delinquent traffic fines
- Unable to identify the nature of \$35,000 in receivables recorded in the accounting system
- Failure to pay certain vendor bills and court ordered payments in a timely manner
- Lack of controls over collections and bank deposits
- Lack of controls related to preparing, submitting, and approving employee time sheets and leave slips

The Honorable Kelly Sommer, Mayor,
and Board of Aldermen
Village of Creola
July 10, 2013
Page 2

- No written disaster recovery plan
- Lack of controls over the purchasing and disbursements functions
- Failure to enroll all eligible police officers in the Municipal Police Employees' Retirement System as required by state law [Louisiana Revised Statute (R.S.) 11:2211 *et seq.*]
- Possible noncompliance with the Open Meetings Law by conducting a telephone vote of Board members [R.S. 42:11 *et seq.* and Louisiana Attorney General (AG) Opinion 02-0106]
- Failure to maintain complete and accurate data for traffic citations as required by law (R.S. 32:398.2 and 33:442)
- Possible noncompliance with law that requires only the Village Prosecutor to reduce/dismiss traffic citations [La. Code Criminal Procedure, art. 61 and AG Opinions 11-0129, 06-0075, and 02-0068)]
- Possible noncompliance with law that requires only the Village Magistrate/Judge to conduct an arraignment [R.S. 32:398.2 (B) and AG Opinion 02-0068]
- Failure to conduct quarterly audits of traffic tickets as required by law (R.S. 32:398.3)
- Failure to report traffic violations to the Louisiana Department of Public Safety as required by law (R.S. 32:393)

A copy of this letter has been delivered to the District Attorney for the 35th Judicial District of Louisiana. My staff will be monitoring the resolution of these issues. We stress the need to consider our recommendations (as discussed in our meeting with you) and to work toward resolving these issues. If you have any questions about the assessment, please call Mike Battle or Steven Kraemer at 225-339-3800.

Sincerely,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

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