

TOWN OF MADISONVILLE



ADVISORY SERVICES  
PROCEDURAL REPORT  
ISSUED DECEMBER 23, 2019

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# Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE

Town of Madisonville



December 2019

Audit Control # 70190066

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## Introduction

The Louisiana Legislative Auditor performed certain procedures at the Town of Madisonville (Town) to address the requirements of Act 774 of the 2014 Regular Legislative Session, as amended. The primary purpose of our procedures at the Town was to assist the Town in evaluating certain controls the Town uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and overall accountability over public funds. Our procedures were more limited than an audit; therefore, we are not issuing an opinion on the Town's financial statements nor the effectiveness of the Town's internal control over financial reporting and compliance.

## Results of Our Procedures

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### Follow-up on Prior-year Exceptions

We assessed the status of all exceptions reported in the prior-year procedural report dated March 13, 2019. The results of our follow-up are documented for each category below except for disaster recovery/business continuity, which is a new category tested this year.

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### Current-year Results

#### 1. Written Policies and Procedures

We obtained the Town's written policies and procedures and assessed whether they incorporated the prior-year recommendations regarding purchasing, traffic ticket fines, credit cards, travel and expense reimbursement, and ethics.

Results: We did not identify any exceptions.

#### 2. Board or Finance Committee

We obtained and reviewed the board minutes for the fiscal year and assessed whether Town officials discussed key financial information, including budget-to-actual comparisons, at monthly meetings.

Results: We did not identify any exceptions.

### **3. Bank Reconciliations**

We selected two bank accounts, obtained the bank statements and related reconciliations for two months, and assessed whether the bank reconciliations were prepared and reviewed timely by Town officials.

Results: We did not identify any exceptions.

### **4. Collections**

We confirmed with management that employees having access to cash were covered by a bond or insurance policy for theft. We also selected five utility account adjustments and two bank deposits to assess whether account adjustments were supported by written documentation and deposits were supported by sequential, pre-numbered receipts.

Results: We did not identify any exceptions.

### **5. Non-payroll Disbursements**

We interviewed Town employees, observed daily operations, and reviewed documentation supporting six disbursements. We assessed whether disbursement job duties were properly segregated and disbursements matched the related original invoice/billing statements.

Results: We did not identify any exceptions.

### **6. Credit Cards**

We selected two Town credit cards and reviewed one monthly statement for each card to determine if the supporting documentation was reviewed and approved by someone other than the cardholder and if the Town incurred finance charges or late fees.

Results: We did not identify any exceptions.

### **7. Travel and Expense Reimbursement**

We obtained a listing of travel and travel-related expense reimbursements during the fiscal year for certain officials and employees. We selected five reimbursements and reviewed supporting documentation to determine if the reimbursements were reviewed and approved by someone other than the person receiving the reimbursement.

Results: We did not identify any exceptions.

## 8. Contracts

We obtained the Town's written policies and procedures and assessed whether they required written contracts for all professional services, materials and supplies, leases, and construction activities.

Results: The Town's written policies and procedures did not require written contracts for all business/service agreements.

Recommendation: Management should update existing written policies and procedures to require written contracts for all business/services agreements in the areas of professional services and leases and to more clearly state that written contracts are required for materials and supplies and construction activities.

Management provided a plan of corrective action (see Appendix A).

## 9. Payroll and Personnel

We obtained and reviewed a list of personnel employed during the fiscal year and selected two employees. We then reviewed the related pay rates, personnel files, and attendance documentation for one pay period. We also identified one employee who terminated employment during the fiscal year and reviewed supporting documentation related to termination payment calculations.

Results: We did not identify any exceptions.

## 10. Ethics

We obtained ethics documentation for two employees and observed whether the documentation provided evidence that each individual acknowledged that he/she has read the Town's ethics policy during the fiscal year.

Results: We did not identify any exceptions.

## 11. Traffic Tickets

We obtained from management a list of all citation books issued during the fiscal year, selected two books, and traced to supporting documentation to determine if proper documentation was maintained for any voided citations.

Results: We did not identify any exceptions.

## 12. Municipal Classification

We inquired of management and reviewed documentation to determine if the Town notified the Governor of the drop in its census and possible reclassification from a town to a village, as required by law.

Results: We observed that the Town has notified the Governor and is waiting on a response.

### **13. Town Charter**

We reviewed certain provisions of the Town's charter relative to publication of ordinances and assessed whether certain ordinances were advertised in compliance with the charter. In addition, we assessed whether the Town Clerk was properly approved by the Council.

Results: We did not identify any exceptions.

### **14. Capital Assets**

We obtained a capital asset list and reviewed supporting documentation to determine if inventory counts were performed within the past year and if inventory records were accurate.

Results: We did not identify any exceptions.

### **15. Disaster Recovery/Business Continuity**

We obtained and reviewed the Town's written policies and procedures relating to information system disaster recovery/business continuity. We also analyzed the Town's backup processes and observed whether antivirus and operating system software was up-to-date.

Results: We did not identify any exceptions.

Under Louisiana Revised Statute 24:513, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE  
Legislative Auditor

DGP/ch

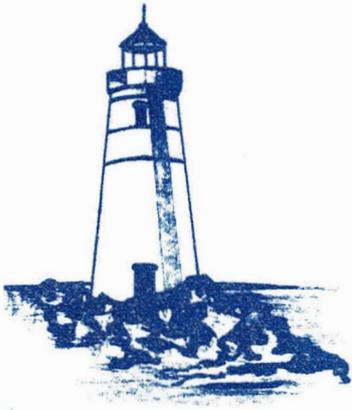
TOWNOFMADISONVILLE

## **APPENDIX A: MANAGEMENT'S RESPONSE**



# Town of Madisonville

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December 17, 2019

Daryl Purpera  
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In response to the December 2019 Procedural Report:

8. Contracts- Recommendation: Management should update existing written policies and procedures to require written contracts for all business/ services agreements in the areas of professional services and leases and to more clearly state that written contracts are required for materials and supplies and construction activities.

Response- Agree. The Town has amended the policy.

A handwritten signature in blue ink that reads "Alicia Watts".

Alicia Watts, Town Clerk

A handwritten signature in blue ink that reads "Jean Pelloat".

Jean Pelloat, Mayor