

CITY OF SLIDELL



ADVISORY SERVICES
PROCEDURAL REPORT
ISSUED JANUARY 8, 2020

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Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE

City of Slidell



January 2020

Audit Control # 70190065

Introduction

The Louisiana Legislative Auditor performed certain procedures at the City of Slidell (City) to address the requirements of Act 774 of the 2014 Regular Legislative Session, as amended. The primary purpose of our procedures at the City was to assist the City in evaluating certain controls the City 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 City's financial statements nor the effectiveness of the City's internal control over financial reporting and compliance.

Results of Our Procedures

Follow-up on Prior-year Exceptions

We assessed the status of all exceptions reported in the prior-year agreed-upon procedures report dated December 18, 2018. The prior-year exception relating to ethics has not been resolved and is being reported again as a current-year exception.

Current-year Results

1. Ethics

We obtained ethics documentation for five employees and observed whether the documentation provided evidence that the employees completed one hour of ethics training and signed annual certification forms attesting that they have read and will abide by the City's ethics policy.

Results: Although the City maintained documentation that employees received the required ethics training, the City does not require employees or elected officials to sign annual certification forms attesting that they have read and will abide by the City's ethics policy.

Recommendation: As a best practice, the City should include a requirement in its written policies and procedures that all employees and elected officials will sign annual certification forms attesting that they have read and will abide by the City's ethics policy.

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

2. Due To/From Grants & Donation Accounts

We requested supporting documentation to demonstrate that management fully reconciled the balances in the *Due To/From Grants & Donations* accounts at June 30, 2019.

Results: We observed a \$313,359 receivable recorded in the grant fund and a corresponding/offsetting \$313,359 payable recorded in the general fund; however, management could not provide a complete reconciliation of these balances to underlying support, including individual grant records. Without a complete reconciliation, management cannot attest that the receivable and payable balances are accurate or complete, regardless of the net impact.

Recommendations: The Finance Director should fully reconcile the *Due To/From Grants & Donations* account balances to underlying support monthly. Any differences should be immediately investigated and resolved.

LLA Additional Comments: Management noted that "the City respectfully disagrees with this finding." We continue to assert that a complete reconciliation is necessary for the completeness and accuracy of account balances.

3. Traffic Tickets

We obtained one month's collection documentation submitted to the City by the Slidell City Court (court) to assess whether the City was using this documentation to reasonably assess the completeness of collections received from the court. The court has recently begun providing detailed collection documentation to the City.

Results: Management did not provide us with evidence that collection documentation submitted by the court was being used by the City to reasonably assess the completeness of collections received from the court.

Recommendations: The City should begin reconciling collection documentation from the court to the City's internal records of tickets and other documentation submitted to the court.

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

4. Disaster Recovery/Business Continuity

We obtained and reviewed the City's written policies and procedures relating to information system disaster recovery/business continuity. We also analyzed the City's

backup processes and observed whether antivirus and operating system software was up-to-date.

Results/Recommendations: We observed that the City has basic written policies and procedures over disaster recovery/business continuity. We also made minor recommendations to strengthen the City’s disaster recovery/business continuity practices.

Management confirmed that it will adopt recommendations (see Appendix A).

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/aa

CITYOFSLIDELL

APPENDIX A: MANAGEMENT'S RESPONSE

CITY OF SLIDELL, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
JULY 1, 2018 TO JUNE 30, 2019

July 1, 2018 – June 30, 2019
Louisiana Legislative Auditor

The City of Slidell, Louisiana respectfully submits the following corrective action plan for items identified pursuant to the Agreed Upon Procedures Engagement required by Act 774 of the 2014 Regular Legislative Session.

Engagement Period: July 1, 2018 – June 30, 2019

The City's response to findings from the Agreed Upon Procedures Report is discussed below.

Ethics (follow-up): Ethics Policies and Procedures

Response: The City adopted the Louisiana Ethics Code as its ethics policy. All elected officials and employees are mandated by State law to participate in governmental ethics training annually. A copy of the certificate of completion for employees who participate in on-line training is maintained in personnel files by the Human Resource/Civil Service Department. When annual training is conducted in person, all participants sign the registration form to certify participation. The City will consider amending our ethics policy to adopt this recommendation.

Due To/From Grants & Donation Accounts

Response: The City respectfully disagrees with this finding. In an effort to make financial statement presentation of grants and donations less complex, the City will create a separate fund to account for donations beginning fiscal year 2021.

Traffic Tickets

Response: The City is committed to finding the appropriate software and developing procedures to achieve this goal. Within the past two years, the Slidell City Court purchased and implemented new software. In addition, the Slidell City Council appropriated funds for the City Prosecutor to purchase new software. The City prosecutor is currently exploring software options.

Disaster Recovery/Business Continuity

Response: The City will make the suggested changes to strengthen our policies and procedures over disaster recovery and business continuity

If there are any questions regarding this plan, please contact Sharon Howes, Finance Director of the City of Slidell, at (985) 646-4316.

Sincerely,


Mayor Greg Cromer, City of Slidell