

IBERIA PARISH COUNCIL
New Iberia, Louisiana

Agreed-Upon Procedures Report
Sewerage District No. 1

Fiscal Period January 1, 2019 through November 30, 2019

KOLDER, SLAVEN & COMPANY, LLC

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

M. Larry Richard, Parish President,
Iberia Parish Council, and
Sewerage District No. 1

We have performed the procedures enumerated below, which were agreed to by Iberia Parish Council and Sewerage District No. 1 (District) on selected control and compliance (C/C) areas for the fiscal period January 1, 2019 through November 30, 2019. The District's management is responsible for those C/C areas.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. We obtained and inspected the entity's written policies and procedures for each of the following categories and subcategories:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget.
 - b) **Purchasing**, including (1) how purchases are initiated; (2) the preparation and approval process of purchase requisitions and purchase orders; (3) controls to ensure compliance with the public bid law; and (4) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving invoices.
 - d) **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue including grant funding.

- e) *Payroll/Personnel*, including reviewing and approving time and attendance records, including leave and overtime worked.
- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- h) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy.
- i) *Debt Service*, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Board or Finance Committee

- 2. We obtained and inspected the board/finance committee minutes for the review period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the review period, and:
 - a) We observed that the Board met during the review period on a frequency in accordance with the Board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) We randomly selected one month and reviewed that minutes (1) contain reference that a financial report was provided to the Board and (2) were properly and timely published in the official journal.

Collections

- 3. Obtained and inspected written policies and procedures relating to employee job duties (if no written policies or procedures, inquired of employees about their job duties), and observed that job duties are properly segregated that:
 - a) Employees that are responsible for cash collections do not share cash drawers/registers
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
- 4. Obtained from management a complete listing of cash receipts during the review period. Randomly selected 5 cash receipts from the listing. Traced amount collected to the receipt of funds, deposit slip, and bank statement. Determined that the said amount was coded properly to the general ledger. Observed that the deposit was made within one business day of receipt (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).

5. A) Obtained from management the contract with Iberia Parish School Board for plant user fees and:
 - a) Verified the contract billing frequency and amount.
 - b) Reviewed invoices billed and traced receipts to the general ledger to ensure all payments had been received during the review period.
5. B) Obtained from management the July 2019 manifest forms for sludge dumped at Plant 3. Randomly selected 1 customer and:
 - a) Recalculated total gallons dumped from manifest forms.
 - b) Recalculated the monthly billing amount.
 - c) Traced receipt of funds to the general ledger.
6. Obtained from management a listing of permits issued during the review period and noted if permits are sequentially numbered. Randomly selected 5 permits and:
 - a) Reviewed the permits to ensure amounts charged agreed to the schedule of charges and the customer deposit was charged and collected as applicable.
 - b) Traced revenue amounts and customer deposit amounts to the general ledger.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

7. Obtained a listing of those employees involved with non-payroll purchasing functions. Obtained written policies and procedures relating to employee job duties (if the agency had no written policies and procedures, inquired of employees about their job duties), and observed that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
8. Obtained the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation that the population is complete. Randomly selected 5 disbursements, obtain supporting documentation for each transaction and:
 - a) Observed that the disbursement matched the related original invoice/billing statement.
 - b) Observed that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #7, as applicable.
 - c) Observed that the disbursement was properly supported by a purchase order and that said disbursement was properly coded to the general ledger. Purchase amounts and requisitions should be in accordance with the Parish's purchasing policy as well State law.

Contracts

9. Obtained from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the review period. *Alternately, the practitioner may use an equivalent selection source, such as the year-to-date fund general ledger.* Obtained management's representation that the listing is complete. Randomly selected 2 contracts from the listing, and:
 - a) Observed that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observed that the contract was approved by the Board, if required by policy or law.
 - c) If the contract was amended (e.g. change order), observed that the original contract terms provided for such an amendment.
 - d) Randomly selected one payment from the review period for each of the selected contracts, obtained the supporting invoice, agreed the invoice to the contract terms, and observed that the invoice and related payment agree to the terms and conditions of the contract.

Payroll and Personnel

10. Obtained a listing of employees employed during the review period and management's representation that the listing is complete. Randomly selected 1 employee, obtained related paid salaries and personnel file, and agreed paid salaries to authorized salaries/pay rates in the personnel file.
11. Randomly selected one pay period during the review period. For the 1 employee selected under #10 above, obtained attendance records and leave documentation for the pay period, and:
 - a) Observed that the selected employee documented his/her daily attendance and leave (e.g., vacation, sick, compensatory).
 - b) Observed that supervisors approved the attendance and leave of the selected employee.
 - c) Observed that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
 - d) Observed the completeness of the employee's current timecard.

Other

12. Obtained a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Selected all misappropriations on the listing, obtained supporting documentation, and observed that the entity reported the misappropriation(s) to the Board, Parish Government, Louisiana Legislative Auditor and the district attorney of the parish in which the entity is domiciled.
13. Observed that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Findings:

Written Policies:

The District does not have separate written policies and procedures from those in place at Iberia Parish Government.

Collections:

11 of 43 receipts tested did not have a collection date noted, therefore we were unable to test the timeliness of the deposit.

1 of 43 receipts tested was deposited 7 days late.

4 of 43 receipts tested were deposited 6 days late.

7 of 43 receipts tested were deposited 5 days late.

4 of 43 receipts tested were deposited 4 days late

7 of 43 receipts tested were deposited 3 days late.

4 of 43 receipts tested were deposited 2 days late.

Management's Response:

Management of Iberia Parish Council and Sewerage District No. 1 concur with the exceptions and are working to address the deficiencies identified.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose.

Kolder, Slaven & Company, LLC
Certified Public Accountants

New Iberia, Louisiana
June 25, 2020