

ST. TAMMANY PARISH COUNCIL ON AGING INC.



ADVISORY SERVICES
PROCEDURAL REPORT
ISSUED DECEMBER 30, 2019

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Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



St. Tammany Parish Council on Aging Inc.

December 2019

Audit Control #70190071

Introduction

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

Results of Our Procedures

Follow-up on Prior-year Exceptions

We assessed the status of the exception reported in the prior-year agreed-upon procedures report dated December 17, 2018. The prior-year exception relating to failure to deposit money timely has not been resolved and is being reported again as a current-year exception.

Current-year Results

1. Written Policies and Procedures

We obtained the Council's written policies and procedures and assessed whether they addressed budgeting, purchasing, disbursements, receipts/collections, payroll/personnel, contracting, bank reconciliations, credit cards, travel and expense reimbursement, and disaster recovery/business continuity.

Results: The Council's written policies and procedures did not address all business and financial functions.

Recommendation: Management should update and refine existing written policies and procedures to address the following:

- **Purchasing**, including how vendors are added to the vendor list;

- **Receipts/Collections**, including management's actions to determine the completeness of all collections for each type of revenue;
- **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process; and
- **Bank Reconciliations**, including process for addressing items outstanding for more than 12 months from the statement closing date.

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

2. Board Oversight

We reviewed board minutes and related documentation to assess whether the board met with a quorum at least monthly in accordance with its bylaws and whether board minutes referenced or included monthly budget-to-actual comparisons.

Results: We did not identify any exceptions.

3. Collections

We interviewed Council employees, reviewed documentation, and visited one of the Council's senior centers to assess whether the Council had adequate internal controls over the collection of donations. We also reviewed supporting documentation for two bank deposits to assess whether the deposits were made timely.

Results: The Council did not require the individual senior centers to document the date and amount of donations received. As a result of the lack of documentation, we were unable to determine how long money was kept in the donation boxes before being deposited, but we were informed that donations were deposited on a monthly basis. Also, we noted that the donation box we examined was not adequately secured to prevent theft. Finally, the Director of Finance's job duties related to the handling and depositing of the donations were not properly segregated, and this Director was not documenting his review of senior centers that reported no donations for a particular month.

Recommendations: Management should require that staff:

- Document the date and amount of donations received at the individual senior centers (e.g., use of donation log with pre-numbered envelopes);
- Deposit collections daily or within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100;
- Secure donation boxes (e.g., physically securing boxes to limit potential removal);

- Properly segregate duties by having someone independent of the collection function reconcile collection documentation to bank deposits and bank statements; and
- Document review of senior centers reporting no donations for a certain month(s).

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

4. Disaster Recovery/Business Continuity

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

Results: We did not identify any exceptions.

5. Delivery of Meals to Senior Citizens

We interviewed Council employees and reviewed documentation to assess whether the Council had adequate internal controls over the process for delivering meals to the homes of senior citizens.

Results: The Council did not have policies and procedures addressing criteria for redistributing meals that could not be delivered to the intended recipient. In addition, meal recipients did not sign for the meals that they received, as a best practice.

Recommendations: To improve the accountability of the meal delivery process, management should develop policies and procedures that address the redistribution of undeliverable meals and meal delivery confirmation by requiring that:

- Drivers use clients' Louisiana Independent Living Assessment scores to determine who receives redistributed meals; and
- Meal recipients sign for the meals received and/or drivers attest, in writing, that the delivery information documented on their delivery lists is accurate and complete.

Management provided a plan of corrective action (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,



Thomas H. Cole, CPA
First Assistant Legislative Auditor

DGP/aa

STP COUNCIL ON AGING INC.

APPENDIX A: MANAGEMENT'S RESPONSE



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December 23rd, 2019

Louisiana Legislative Auditor
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Good Evening Mr. Purpera,

We would like to thank the Legislative Auditor’s office for selecting the St. Tammany Council on Aging for their Act 774 Agreed Upon Procedures report and advisory services this year. Steven Kraemer brought some welcome and helpful perspective and advice to COAST during fieldwork and with the report he produced. It was greatly appreciated. We will amend our policies and procedures in the near future using this report as a guide.

Written Policies and Procedures – It was brought to our attention that some of the procedures that we have in place were not documented. This will be corrected. Using this report, Mr. Kraemer’s suggestions and the LLA website as a guide, we will develop procedures for the items for which there were none.

Collections – Though some of the suggestions made seem to be cost prohibitive in that the amount of funds used to account for the collections greatly exceeds the amount of funds collected, we do plan on revisiting this issue. We will implement the corrections to our produres that are cost efficient and modify our policies and procedures accordingly.

Delivery of Meals to Senior Citizens – The policies and procedures around this task will be revisited, updated and corrected according to the suggestions made by the Legislative Auditor’s office.

Sincerely,



Julie Agan,
Executive Director

----- **Please Remember COAST in your Planned Giving** -----

COAST is a 501(c)(3) organization. Contributions and donations are tax-deductible as provided in section 170 of the Internal Revenue Code.

COAST strives to provide St. Tammany Parish seniors with services designed to maintain and enhance their quality of life, wellbeing, independence, and involvement in the community.