

VILLAGE OF FOLSOM



ADVISORY SERVICES  
PROCEDURAL REPORT  
ISSUED DECEMBER 23, 2019

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# Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



Village of Folsom

December 2019

Audit Control #70190068

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## Introduction

The Louisiana Legislative Auditor performed certain procedures at the Village of Folsom (Village) to address the requirements of Act 774 of the 2014 Regular Legislative Session, as amended. The primary purpose of our procedures at the Village was to assist the Village in evaluating certain controls the Village 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 Village's financial statements nor the effectiveness of the Village'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 January 9, 2019. The results of our follow-up are documented for each category below.

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### Current-year Results

#### 1. Written Policies and Procedures

We interviewed Village staff to assess whether written policies and procedures were updated to address how vendors are added to the vendor list and how overtime work is to be approved.

Results: The Village's written policies and procedures do not address how vendors are added to the vendor list or how overtime work is to be approved.

Recommendations: For the second consecutive year, we recommend that the Village refine its policies and procedures to specifically address these two business functions.

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

## 2. Bank Reconciliations

We selected one bank account, obtained the related bank reconciliation for one month, and assessed whether the bank reconciliation included evidence of supervisory review.

Results: We did not identify any exceptions.

## 3. Collections

We interviewed Village staff about daily operations and reviewed collection documentation supporting one bank deposit to assess whether collection job duties are properly segregated and deposits are made timely.

Results: We did not identify any exceptions.

## 4. Non-payroll Disbursements

We interviewed Village staff to assess whether disbursement job duties were properly segregated and reviewed documentation supporting two disbursements to assess whether the documentation included evidence of supervisory approval.

Results: We noted that purchases of less than \$100 did not require written supervisory approval, and that job duties were not properly segregated between the three office employees at town hall.

Recommendations: For the second consecutive year, we recommend that management strengthen controls over disbursements by: (1) requiring written supervisory approval for all purchases, (2) segregating disbursement job duties such that a staff employee is assigned to make changes to vendor files while a supervisor reviews all changes made to vendor files, and (3) requiring supporting documentation to reflect evidence (e.g., initials and dates) of approval and proper segregation of duties.

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

## 5. Credit Cards

We selected one Village credit card and reviewed one related monthly statement to determine if the statement and supporting documentation was reviewed and approved by someone other than the cardholder. We also assessed whether the business/public purpose for each transaction was documented and if the Village incurred finance charges or late fees.

Results: We noted that management did not document its review of the monthly account statement and supporting documentation. We also noted that the transactions did not include a documented business purpose, although they were consistent with Village operations.

Recommendations: For the second consecutive year, we recommend that an official, other than the authorized cardholder, should review monthly statements and supporting transaction documentation and document his or her review by initialing and dating the statement. All transactions should include a documented business purpose.

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

## **6. Travel and Expense Reimbursement**

We obtained one travel approval form and one expense reimbursement form and observed whether the forms were approved by the mayor.

Results: We did not identify any exceptions.

## **7. Contracts**

We obtained one professional services contract and one related invoice to determine if the invoiced rate agreed to the rate documented in the contract.

Results: We did not identify any exceptions.

## **8. Payroll and Personnel**

We obtained two timesheets for one employee and observed whether the timesheets were approved in writing by the employee's supervisor. We also obtained the personnel file of another employee and observed whether the file contained documentation of the employee's current approved pay rate.

Results: We did not identify any exceptions.

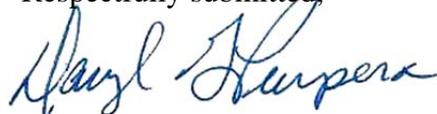
## **9. Ethics**

We obtained ethics documentation for one employee and observed whether the documentation provided evidence that the individual acknowledged that he has read the Village's ethics policy during the fiscal year.

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



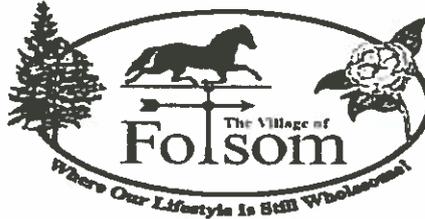
## **APPENDIX A: MANAGEMENT'S RESPONSE**



# Village of Folsom

Mayor– Lance Willie

Alderwoman – Jill Mathies  
Alderman – George Garrett  
Alderman – Shawn Dillon



Margra Steele - Municipal Clerk  
Ronnie "Beau" Killingsworth - Chief of Police  
Village Attorney – Roy Burns

December 9, 2019

Louisiana Legislative Auditor  
Attention: Daryl G Purpera  
1600 North Third Street  
Post Office Box 94397  
Baton Rouge, LA 70804-9397

Mr. Purpera

This letter is in response to the findings for the 2019 Legislative Auditors Report. As Mayor of the Village of Folsom, listed below are the changes that will be implemented to correct all findings.

1. The Village will require all purchases to have written supervisory approval. Vendor files will be review frequently and the supervisor will review all changes made to vendor files. While reviewing all files, the supervisor will initial and date each file
2. Management will review all credit card monthly statements and indicate the business purpose. Each statement will be initial and dated.
3. The Village has implemented a written policy on how vendors are added to the Vendor list. The Village is in the process establishing a policy on the overtime approval.

A handwritten signature in blue ink, appearing to read 'Lance Willie', is written over a horizontal line.

Lance Willie  
Mayor