



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

March 17, 2014

TOWN OF BALDWIN

Officials of the St. Mary Parish town of Baldwin on Monday were requested by Legislative Auditor Daryl Purpera's office to come up with a "detailed action plan" by March 31 to address the municipality's fiscal and operational problems.

Purpera said in a three-page letter to Baldwin Mayor Wayne J. Breaux that after a recent assessment by a team from his office their findings indicated Baldwin is "failing to effectively exercise its fiduciary responsibilities of managing the fiscal operations of the town. Due to the severity of the financial and operational issues, I am requesting that you provide my office with a detailed action plan" by the end of March.

The letter said Baldwin officials must include in the plan to be submitted the specific steps to be taken to address the various problem, the name of the town personnel who will be charged with taking the corrective action, and the date the action will be completed.

The letter outlined 11 problem areas that Purpera wants addressed including devising "a formal plan to address and eliminate the negative fund balance in the general fund" which was almost \$257,000 on June 30, 2012 and about \$240,000 on October 31, 2013.

The town must also improve the timeliness of paying its vendors. The state auditor said that in November 2013, "payable records indicated that the town owed vendors approximately \$340,000," 51 percent of that 120 days past due.

The letter also said that the Baldwin police chief was "reducing citations" issued by officers even though he does not have the power to do so. Purpera's letter said that state law provides penalties if a ticket is dismissed incorrectly.

Baldwin officials are not making the required monthly transfers from the utility revenue fund to certain bond funds, the letter said. In addition, the town had more than 200 "active customers with delinquent utility account balances totaling \$96,111" as of October 30, 2013. The letter said of that total, \$66,794 was more than 60 days past due. Also, Baldwin officials are not ensuring that utility service for past-due customers was cut off as a local bond ordinance requires.



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Some of the other issues Baldwin officials were directed to address included:

- Implementation of internal controls to make sure all customers receiving garbage service were being charged a \$3 fee.
- Not allowing police personnel to make changes to their timesheets without documenting the reasons for the changes.
- Putting in place controls to assure that dedicated sales tax money is spent on the specific intended purpose of the tax, not in other ways.
- Implementing adequate controls over cash receipts and collections. Now, employees share and work out of the same cash drawer.

For more information, contact:

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Legislative Auditor

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On Twitter: Baldwin officials requested to address fiscal, operational issues.