



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

July 15, 2013

TOWN OF INDEPENDENCE

The Town of Independence does not have sufficient procedures to monitor the purchase and consumption of fuel for town vehicles and also lacks a written travel and credit card policy, according to an audit of the Tangipahoa Parish municipality.

The audit for the fiscal year ended June 30, 2012 was conducted by the certified public accounting firm of Faulk and Winkler, LLC of Baton Rouge, and was released by Legislative Auditor Daryl Purpera's office Monday. The audit included 13 findings that cited the town's problems in its fiscal operations.

Because of the town's poor controls over its fuel purchase credit cards, four employees were allegedly able to use the cards to purchase fuel for their personal use. The amount of the alleged misappropriation was under \$1,000. Town officials are seeking restitution from the employees. Auditors said town officials should develop better procedures and tighter controls on the use of the fuel cards. A similar finding was included in the town's last audit report.

The audit also said that because Independence does not have written travel and credit card policies, some purchases lacked original invoices to support them. The report said \$58.50 in alcohol was charged to a town-issued VISA card along with a meal.

The credit card also had charges for a stay in Pineville that lacked documentation for a business purpose and approval; and a \$276.30 bill for purchases at Casino Magic in Bossier City that lacked an original receipt and approval documents.

The report states that Independence had operating deficits of \$348,470 and \$7,083 in its general and utility funds, respectively – the third consecutive year the town has operated with deficits. The audit recommended that Independence officials cut expenses and raise utility rates to help erase its deficits and stated that the current rate charged is insufficient to fund current operations of the utility fund. Independence currently charges a flat monthly rate for water, sewer and solid waste collection services; the audit recommended charging a rate based on volume consumed.

The audit also recommended that the town collect unpaid occupational license fees and more promptly collect its debts. It said about \$36,000 in utility bills were more than 30 days delinquent in the last fiscal year.

The town also does not have an adequate policy for monitoring collection of loans provided under a housing grant program.



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Other findings included:

- Town officials do not review and discuss financial statements at their regular monthly meetings.
- Independence does not have a manual for accounting, town policies, or state ethics laws. Two town officials were held in violation of state ethics laws in 2011 and 2012.
- The town violated the public bid law for the renovation of a building. The town did not solicit three bids for the renovation.

Town officials told auditors they are taking steps to resolve the problems cited in the report.

For more information, contact:

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