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May 25, 2005

The Honorable Roy Lewis, President  
Claiborne Parish Police Jury  
Post Office Box 270  
Homer, LA 71040

Dear President Lewis:

Based upon written concerns received by this office, we reviewed select financial records and operating practices of the Claiborne Parish Police Jury (police jury). The scope of our work was significantly less than those required by *Government Auditing Standards* in the audit of financial statement; therefore, we are not offering an opinion on the police jury's financial statements or system of internal control nor assurance as to compliance with laws and regulations. The concerns and results of our review are listed below for your consideration.

1. The secretary-treasurer misplaced a \$100,000 check.

The police jury's secretary-treasurer acknowledged losing a check. During May 2004, certificates of deposit were withdrawn from a bank by means of cashier checks. The checks were to be deposited in another bank. The checks were kept at the police jury's office in a lockbox until arrangements could be finalized. A check for \$100,000 disappeared. The secretary-treasurer does not know how she lost the check. The secretary-treasurer immediately stopped payment on the check and another check was issued. The lost check was never redeemed. The police jury has instructed the secretary-treasurer to transfer funds electronically. We agree with the police jury's corrective action.

2. Because of repeated financial data processing errors, the police jury failed to produce or compile adequate financial information for 2004.

The police jury has not closed the financial records for 2004, nor has it posted financial transactions for 2005. The police jury's computer system did not run firewall or anti-virus software, and as a result on August 2004, experienced a computer virus. Some financial data were corrupted and/or lost. In addition, a police jury employee improperly processed financial information. The police jury has since hired a project manager and two individuals to assist in closing out the financial records for 2004. The project manager has installed firewall and anti-virus software on the police jury's computer system. The project manager anticipates closing the financial records for 2004 by June 30, 2005, and Mr. Vernon Coon, CPA, anticipates filing the report with this office by August 31, 2005. The project manager will also install new financial software

## CLAIBORNE PARISH POLICE JURY

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and help process information into the 2005 financial records. We recommend that the police jury personnel receive adequate training in working with the new software. In addition, this office has requested that you provide weekly status reports on the progress the police jury is making to ensure it complies with state audit law.

3. Three employees were hired despite a January 2005 police jury vote to freeze hiring of additional employees.

You informed us the police jury has not instituted a hiring freeze. You also indicated you hired a project manager on a contract basis to resolve the financial accounting difficulties, and after the fact, had the contract approved by the police jury. The police jury hired one additional contractor and one part-time employee to assist the project manager. We recommend all contractors be approved by the police jury before they are hired.

4. Several W-2 Wage and Tax Statement forms were issued with incorrect wage earnings.

The police jury issued incorrect W-2 Wage and Tax Statement forms to its employees. The project manager stated that most of the errors were due to incorrect benefit classification for determination of taxable wage amounts. The project manager is in the process of checking the W-2 Wage and Tax Statement forms to determine if any need to be adjusted. We recommend that the police jury employees be properly trained so these errors will not occur in the future.

5. Employee payroll checks were distributed in an improper manner.

The assistant secretary-treasurer acknowledged during the 2004 Christmas Party, she allowed a non-employee to help distribute payroll checks to Highway Department employees. This caused privacy and security issues. The assistant secretary-treasurer was subsequently instructed to issue payroll checks in sealed envelopes. We agree with the police jury's corrective action.

I trust this information will assist you in the efficient and effective operations of the police jury. Should you have any questions, please contact me at (225) 339-3839 or Mr. Daryl Purpera at (225) 339-3807.

Sincerely,



Steve J. Theriot, CPA  
Legislative Auditor

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