



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

September 15, 2014

TOWN OF MELVILLE

Records of the St. Landry Parish Town of Melville indicate that almost \$63,000 in utility payments were not deposited in the municipality's bank account between December 1, 2012 and February 28 of this year, although the personnel who handled the funds denied taking any of it, a report issued by Legislative Auditor Daryl Purpera said Monday.

The investigative audit said that a total of \$537,883 in utility payments were recorded in the Melville utility system during the 15-month period, but bank records reflect that only \$474,912 was deposited, leaving a shortage of \$62,971. "This amount includes \$40,773 in cash collections that were not deposited into the town's bank accounts, and payments recorded to customer accounts totaling \$22,198 for which the town had no record of receipt and no corresponding bank deposit," the report from the state auditor said.

Copies of the report were sent to the office of the District Attorney for the 27th Judicial District. The investigative audit began after the town's independent auditor notified Purpera's office in March 2014 of discrepancies between utility collections and utility bank deposits.

"The town did not have written policies and procedures relating to utility collections," the report pointed out. During the period audited, Cynthia Perez, an acting assistant town clerk, and Decole McKeel, the acting town clerk, were responsible for "collecting utility payments, issuing receipts and recording payments in the computerized utility system." The report said that payments received by the two were usually kept in the same cash drawer that was stored overnight in a locked safe.

The report said that no reconciliation procedures were performed to ensure that all funds collected were documented, recorded in the utility system and deposited. Collections were counted every other day and turned over to McKeel, who prepared the bank deposit slip. Perez usually took the deposits to the town's bank.

Between December 1, 2012 and February 28, 2014, auditors said the town collected \$205,734 in cash payments for the utility funds, but bank records showed only \$164,961 was deposited. In the same period, records indicated that Melville "employees recorded payments to customer accounts totaling \$22,198 for which the town had no record of receipt and no corresponding bank deposit," suggesting that either customers had payments recorded to their accounts without actually making them, or the town "received payments for which the collecting clerk recorded the customer payment, failed to issue a receipt and failed to deposit the payment in the town's bank account."



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According to the report, Melville Mayor Willie Haynes instructed town employees to issue receipts for all utility payments. Town records showed that 89 percent of the receipts were issued by Perez, and McKeel collected the utility payments when Perez was absent.

Based on auditors' study of the payment-deposit process, "it appears that utility collections went missing before Ms. McKeel prepared collections for deposits," although both employees "denied taking any of the missing funds."

According to the audit, McKeel said she did not know why the cash payments recorded in the utility system did not equal the amount of cash deposited in the bank. McKeel said if the town's general fund checking account was running low, she would deposit utility funds collected "directly to the general fund," but auditors said they could not find evidence that utility collections were deposited in the general fund checking account.

"By failing to properly document, record and deposit all monies collected, town employees may have violated state law" dealing with malfeasance and not always making daily deposits of receipts. McKeel, as acting town clerk, may also have violated state law by failing to safeguard public funds and maintain adequate documentation required by state law.

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On Twitter: Nearly \$63,000 in Melville utility payments not deposited between December 2012 and February 2014.