

**LOUISIANA LEGISLATIVE AUDITOR**  
**AGREED-UPON PROCEDURES**  
**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2020**



**ERICKSEN KRENTEL** LLP  
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS



**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Commissioners of Bayou D'Arbonne Lake Watershed District and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Agreed-Upon Procedures (AUPs) for the year ended December 31, 2020. The Bayou D'Arbonne Lake Watershed District's management is responsible for those C/C areas identified in the AUPs.

Bayou D'Arbonne Lake Watershed District has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's AUPs for the year ended December 31, 2020. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are attached in Schedule "1."

We were engaged by Bayou D'Arbonne Lake Watershed District to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the AUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Bayou D'Arbonne Lake Watershed District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the AUP's, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

July 28, 2021  
New Orleans, Louisiana

*Ericksen Krentel, LLP*  
Certified Public Accountants

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT**  
**AGREED-UPON PROCEDURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

**WRITTEN POLICIES AND PROCEDURES**

1. **Procedures:** Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories, as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law or state purchasing rules and regulations, as applicable to the entity; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued).
  - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
  - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g. determining the reasonableness of fuel card purchases).
  - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (2) documentation requirements, (3) time-frame in which requests must be submitted and (4) required approvers
  - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees annually attest through signature verification that they have read the entity's ethics policy.
  - j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

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- k) ***Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**Results:** The entity's written policies and procedures completely address the functions of budgeting, disbursements, receipts/collections, and contracting. For purchasing controls, the adding of vendors to the vendor list is not addressed. The board minutes indicate a policy for a debit card is being prepared, however, no policy currently exists. For ethics, procedures do not address actions to be taken if an ethics violation takes place or a system to monitor possible ethics violations. Debt service is not addressed. Disaster recovery/business continuity procedures do not address storage of backups in a separate physical location isolated from the network, periodic testing/verification that backups can be restored, use of antivirus software on all systems, timely application of all available system and software patches/updates, and identification of personnel, processes, and tools needed to recover operations after a critical event. Payroll/personnel, credit cards, travel and expense reimbursements and debt service are not applicable.

**ANNUAL FISCAL REPORT (AFR)**

2. **Procedures:** Obtain the financial statements from the AFR submitted to the Division of Administration's (DOA) Office of Statewide Reporting and Accounting Policy for the current and prior periods. Perform analytical procedures comparing current and prior period amounts, by line item. Report any variances of 10% or greater for line items that are 10% or more of the respective total assets/deferred outflows of resources, liabilities/deferred inflows of resources, net position, revenues, or expenses, and management's explanation of the variance.

**Results:** Cash and cash equivalents decreased by 61% and expenses increased by 323% primarily due to costs associated with the completion of the Channel Marker Project. Other revenues increased by 26% primarily due to FEMA reimbursements for the Channel Marker Project.

**BOARD MEETINGS/MINUTES**

3. **Procedures:** Obtain and inspect the board minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- a) Observe that the board met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.

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- b) Observe that the minutes referenced or included monthly budget-to-actual comparisons.
- c) Access the entity's online information included in the DOA's boards and commissions database (<https://wwwcfprd.doa.louisiana.gov/boardsandcommissions/home.cfm>) and observe that the entity submitted board meeting minutes for all meetings during the fiscal period.

**Results:** The board met with a quorum monthly with the exception of March due to COVID-19 restrictions. Board minutes included monthly budget-to-actual comparisons. Board meeting minutes were submitted to the DOA's boards and commissions database for all meetings.

**BANK RECONCILIATIONS**

- 4. **Procedures:** Obtain a listing of bank accounts for the fiscal period from management and management's representation that the listing is complete. For each of the bank accounts in the listing provided by management, obtain bank statements and reconciliations for all months in the fiscal period and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged);
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months at the statement closing date; and
  - d) The reconciled balance for the final month of the fiscal period agrees to the general ledger.

**Results:** Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date. Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation. Bank reconciliations had no reconciling items outstanding for more than 6 months at the statement closing date. The reconciled balance for the final month of the fiscal period agrees to the general ledger.

**RECEIPTS/COLLECTIONS**

- 5. **Procedures:** Obtain and inspect written policies and procedures relating to employees job duties (if no written policies or procedures, inquire of employees about their job duties), and observe that job duties for collections are properly segregated such that:

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- a) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts or license applications received) to the deposit.
- b) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
- c) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source are not responsible for collecting cash, unless another employee verifies the reconciliation.

**Results:** The District has separate officials for collecting cash and reconciling collection documentation. The official responsible for collecting cash is not responsible for posting collection entries to the general ledger. The official responsible for reconciling collections is not responsible for collecting cash.

6. **Procedures:** Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

**Results:** The District maintains a bond that covers employee theft.

7. **Procedures:** Randomly select 5 deposit dates for each of the bank accounts (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 5 deposits for each bank account and:
  - a) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - b) Trace the deposit slip total to the actual deposit per the bank statement.
  - c) Observe that the deposit was made within one business day of collection (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - d) Trace the actual deposit per the bank statement to the general ledger.

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**Results:** The related collection documentation was traced to deposit slips. The deposit slip total agrees to the actual deposit per the bank statement. Regular periodic deposits were made after collection. The actual deposit per the bank statement agreed to the general ledger.

8. **Procedures:** Obtain and inspect written policies and procedures (if no written policies and procedures, inquire to management) and observe that there is a process performed to determine completeness of all collections, including electronic transfers, for each revenue source (e.g. periodic confirmation with outside parties, reconciliation of receipt number sequences, reasonableness of cash collections based on licenses issued) by a person who is not responsible for collections.

**Results:** There is a process performed to determine completeness of all collections by a person who is not responsible for collections.

9. **Procedures:** For licensing boards, obtain a list of initial and renewal licenses granted during the period from management and management's representation that the listing is complete. Randomly select 10 individual applicants from the listing and obtain the supporting documentation (e.g. application, copy of check) from management and:
- a) Observe that the fee paid for license was the appropriate fee based on the applicable fee schedule established by the board or statute.
  - b) If a penalty was assessed (e.g. late fee), observe that the penalty was assessed and collected in accordance with the board's policies.

**Results:** Not applicable.

10. **Procedure:** For levee districts, obtain independent confirmation of the tax amounts received from the appropriate parish Sheriff's offices. Observe that the confirmed amount agrees to the amount deposited by levee district.

**Results:** Not applicable.

**NON-PAYROLL DISBURSEMENTS (EXCLUDING CARD PURCHASES/PAYMENTS, TRAVEL REIMBURSEMENTS, AND PETTY CASH PURCHASES)**

11. **Procedures:** Obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employees job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

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- b) At least two employees are involved in processing and approving payments to vendors.
- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files unless another employee is responsible for periodically reviewing changes to vendor files.
- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**Results:** The District has no employees. At least two officials are involved in initiating a purchase request, approving a purchase, placing an order/making the purchase, and processing and approving payments to vendors. The official responsible for processing payments is prohibited from adding/modifying vendor files unless another official is responsible for periodically reviewing changes to vendor files. Either the official responsible for signing checks mails the payment or gives the signed checks to another official to mail who is not responsible for processing payments.

12. **Procedures:** Obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements which are addressed in separate sections below) and obtain management's representation that the population is complete. Randomly select 5 disbursements, obtain supporting documentation (e.g. purchase requisition, invoices, receipts, receiving slips) for each transaction and:
- a) Observe that the disbursement matched the related original invoice/billing statement
  - b) Observe that the disbursement documentation included evidence (e.g. initial/date, electronic logging) of segregation of duties tested under #11, as applicable.

**Results:** The 5 disbursements matched the related original invoice/billing statement. The disbursement documentation included evidence of segregation of duties.

**CREDIT CARDS/DEBIT CARDS/P-CARDS**

13. **Procedures:** Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete. Randomly select 2 monthly statements or combined statements for each card (for a debit card, randomly select 2 monthly bank statements), obtain supporting documentation, and:
- a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g. original receipts for credit/debit card purchases, exception



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reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.

- b) Observe that finance charges and late fees were not assessed on the selected statements.

**Results:** Not applicable. The District does not maintain credit cards, debit cards, or p-cards.

14. **Procedure:** Obtain supporting documentation for all transactions included on the monthly statements or combined statements selected in #13 above. For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

**Results:** Not applicable. The District does not maintain credit cards, debit cards, or p-cards.

**TRAVEL AND TRAVEL-RELATED EXPENSE REIMBURSEMENTS (EXCLUDING CARD TRANSACTIONS)**

15. **Procedures:** Obtain from management a listing of all travel and travel-related expense reimbursements paid to employees and board members during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana in PPM49 (<https://www.doa.la.gov/pages/osp/travel/TravelPolicy.aspx>) or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
- b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
- c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
- d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

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**Results:** Not applicable. The District did not incur any travel or travel-related reimbursements paid during the fiscal period.

**CONTRACTS**

16. **Procedures:** Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Procurement Code or the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe that the contract was approved by the governing body/board, if required by policy.
  - c) If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment.
  - d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

**Results:** The District had no agreements/contracts initiated or renewed during the fiscal period therefore this section is not applicable.

**PAYROLL AND PERSONNEL**

17. **Procedures:** Obtain a listing of employees employed during the fiscal period, and management's representation that the listing is complete. Randomly select 5 employees (or select all employees if less than 5), obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

**Results:** Not applicable. The District has no employees.

18. **Procedures:** Randomly select 2 pay periods during the fiscal period. For the employees selected under #17 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe that all selected employees documented their daily attendance and leave (e.g., vacation, sick, compensatory).

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- b) Observe that supervisors approved the attendance and leave of the selected employees.
- c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

**Results:** Not applicable. The District has no employees.

19. **Procedures:** Obtain a listing of those employees that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select 2 employees, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employees' cumulative leave records, and agree the pay rates to the employees' authorized pay rates in the employees' personnel files.

**Results:** Not applicable. The District has no employees.

20. **Procedure:** Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

**Results:** Not applicable. The District has no employees.

**ETHICS**

21. **Procedures:** Using the 5 randomly selected employees from procedure #17 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a) Observe that the documentation demonstrates each employee completed one hour of ethics training during the fiscal period.
- b) Observe that the documentation demonstrates each employee attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

**Results:** Not applicable. The District has no employees.

22. **Procedures:** Obtain a listing of board members from management. Randomly select 5 board members and observe documentation to demonstrate that required annual ethics training was completed.

**Results:** The 5 board members selected completed the required annual ethics training.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT**  
**AGREED-UPON PROCEDURES (CONTINUED)**  
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**BUDGET**

23. **Procedures:** Obtain a copy of the legally adopted budget, including all amendments, and the board minutes. Observe the minutes contain approval of the budget and amendments.

**Results:** The minutes contain approval of the budget and amendments.

24. **Procedures:** Compare the total revenues and total expenditures of the final budget to actual total revenues and total expenditures on the financial statements or AFR. Report variances of 10% or greater.

**Results:** Budgeted revenues exceeded total revenues by 17% primarily due to FEMA Channel Marker Project Reimbursement, and budgeted expenses exceeded total expenses by 14% primarily due to a difference in project related costs.

25. **Procedures:** Inquire of management whether the entity has updated its budget information in the DOA's boards and commissions database referred to in #3 above for the current fiscal period (i.e. period covered in these procedures). Access the online database and obtain the budget information for the current fiscal period. Observe that the budget information contained in the database agrees to the budget adopted by the entity's board.

**Results:** The budget information contained in the database agrees to the budget adopted by the District.

**DEBT SERVICE**

26. **Procedures:** Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.

**Results:** Not applicable. The District did not issue bonds/notes during the fiscal period.

27. **Procedures:** Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

**Results:** Not applicable. The District does not have bonds/notes outstanding at the end of the fiscal period.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT**  
**AGREED-UPON PROCEDURES (CONTINUED)**  
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**SEXUAL HARASSMENT**

28. **Procedures:** Obtain and inspect the entity's written sexual harassment policies and procedures and observe that they address all requirements of R.S. 42:342-344, including agency responsibilities and prohibitions; annual employee training; and annual reporting requirements.

**Results:** The District's written policy does not contain annual employee training or reporting requirements.

29. **Procedures:** Obtain a listing of employees/board members employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/board members, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/board member completed at least one hour of sexual harassment training during the calendar year.

**Results:** The board members did not complete the required sexual harassment training.

30. **Procedures:** Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

**Results:** The District has not posted the required sexual harassment policy and complaint procedure on its website.

31. **Procedures:** Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that it includes the applicable requirements of R.S. 42:344.

**Results:** The District did not complete an annual sexual harassment report for the current fiscal period.

**OTHER**

32. **Procedures:** Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

**Results:** There were no misappropriations of public funds and assets during the fiscal period.

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33. **Procedures:** Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds. This notice is available for download or print at [www.lla.la.gov/hotline](http://www.lla.la.gov/hotline).

**Results:** The District has no physical premises; however, it is noted that the required notice was not posted on the District's website as required by R.S. 24:523.1.

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**CORRECTIVE ACTION PLAN – AGREED-UPON PROCEDURES**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

July 28, 2021

Louisiana Legislative Auditor

The Bayou D'Arbonne Lake Watershed District respectfully submits the following corrective action plan for items identified pursuant to the Agreed-Upon Procedures Engagement prescribed by you.

Name and address of independent public accounting firm:

Ericksen Krentel LLP  
4227 Canal Street  
New Orleans, LA 70119

Engagement Period: January 1, 2020 – December 31, 2020

The exceptions from the Agreed-Upon Procedures Report are discussed below:

**Written Policies and Procedures**

**Exceptions:** For purchasing controls, the adding of vendors to the vendor list is not addressed. The board minutes indicate a policy for a debit card is being prepared, however, no policy currently exists. For ethics, procedures do not address actions to be taken if an ethics violation takes place or a system to monitor possible ethics violations. Debt service is not addressed. Disaster recovery/business continuity procedures do not address storage of backups in a separate physical location isolated from the network, periodic testing/verification that backups can be restored, use of antivirus software on all systems, timely application of all available system and software patches/updates, and identification of personnel, processes, and tools needed to recover operations after a critical event.

**Sexual Harassment**

**Exceptions:** The District's written policy does not contain annual employee training or reporting requirements. The board members did not complete the required sexual harassment training. The District has not posted the required sexual harassment policy and complaint procedure on its website. The District did not complete an annual sexual harassment report for the current fiscal period.

**Other**

**Exceptions:** The District has no physical premises; however, it is noted that the required notice concerning the reporting of misappropriation, fraud, waste, or abuse of public funds was not posted on the District's website as required by R.S. 24:523.1.

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT**  
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**Management's Response to Exceptions:**

**Exceptions:** For purchasing controls, the adding of vendors to the vendor list is not addressed.

*Management's Response: The District has very few permanent vendors and thus a vendor list would be of little benefit.*

The board minutes indicate a policy for a debit card is being prepared, however, no policy currently exists.

*Management's Response: The Board will shortly adopt a debit card policy.*

For ethics, procedures do not address actions to be taken if an ethics violation takes place or a system to monitor possible ethics violations.

*Management's Response: If a potential ethics violation occurs, the District's attorney will advise as to the proper action to take.*

Disaster recovery/business continuity procedures do not address storage of backups in a separate physical location isolated from the network, periodic testing/verification that backups can be restored, use of antivirus software on all systems, timely application of all available system and software patches/updates, and identification of personnel, processes, and tools needed to recover operations after a critical event.

*Management's Response: In the event of a critical event, financial documents can be recovered by the Commission Bookkeeper from hard file copies and offsite records from the bank of the District. The Commission Bookkeeper backs up the District's QuickBooks file monthly to a USB drive. An external backup would not be cost effective. The Commission Bookkeeper is evaluating commercial antivirus software.*

**Sexual Harassment**

**Exceptions:** The District's written policy does not contain annual employee training or reporting requirements. The board members did not complete the required sexual harassment training.

*Management's Response: As discussed, the Board members of the District are all male, the District has no employees or other staff, has no office and meets only once a month at 6:30 p. m. at the Union Parish Police Jury annex building. Further, the Board members have little, if any, contact with members of the public and thus, sexual harassment in the capacity of Board member is unlikely. Nevertheless, the Board has adopted a Sexual Harassment Policy and the District's attorney will take steps to ensure that Board members complete required sexual harassment training.*



**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT**  
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The District has not posted the required sexual harassment policy and complaint procedure on its website.

*Management's Response: The District does not have an operational website at this time but is in the process of revamping the website and will plan to post a link to this policy when the website is operational.*

The District did not complete an annual sexual harassment report for the current fiscal period.

*Management's Response: See above responses.*

**Other**

**Exceptions:** The District has no physical premises; however, it is noted that the required notice concerning the reporting of misappropriation, fraud, waste, or abuse of public funds was not posted on the District's website as required by R.S. 24:523.1.

*Management's Response: The District will add a link to report misappropriation, etc. when the website is operational.*

Sincerely,

  
\_\_\_\_\_  
Signature

  
\_\_\_\_\_  
Title

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT**  
**STATUS OF PRIOR YEAR FINDINGS**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

Year Ended December 31, 2019

**Written Policies and Procedures**

**Exceptions:** For purchasing, none of the areas were addressed in the written policies and procedures. The review and approval of disbursements was not addressed in the written policies and procedures. Recording and preparing deposits and a process to determine the completeness of all collections was not addressed in the written policies and procedures. Under contracting, standard terms and conditions, legal review, and the approval process were not addressed. None of the ethics areas were addressed. None of the disaster recovery/business continuity areas were addressed.

**Purchasing policies and procedures have been updated; however, they do not address the adding of vendors to the vendor list.**

**The exceptions related to disbursements, receipts/collections, contracting have been resolved in the current year.**

**Ethics policies and procedures have been updated; however, they do not address actions to be taken if an ethics violation takes place or a system to monitor possible ethics violations.**

**Disaster recovery/business continuity policies and procedures have been updated; however, they do not address storage of backups in a separate physical location isolated from the network, periodic testing/verification that backups can be restored, use of antivirus software on all systems, timely application of all available system and software patches/updates, and identification of personnel, processes, and tools needed to recover operations after a critical event.**

**Receipts/Collections**

**Exceptions:** Based on documentation obtained, determination could not be made if deposits were made within one business day of collection.

**This finding was resolved in the current year.**

**Sexual Harassment**

**Exceptions:** The District did not have written sexual harassment policies and procedures. The 5 selected board members did not complete the required sexual harassment training. The required sexual harassment policy and complaint procedure was not posted on the entity's website. The District did not complete an annual sexual harassment report for the fiscal period.

**These findings were repeated in the current year.**

**BAYOU D'ARBONNE LAKE WATERSHED DISTRICT**  
**STATUS OF PRIOR YEAR FINDINGS (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2020**

***Other***

**Exceptions:** The required notice regarding the reporting of misappropriation, fraud, waste, or abuse of public funds was not posted on the District's website.

**This finding was repeated in the current year.**