

**DISTRICT ATTORNEY FOR THE  
THIRD JUDICIAL DISTRICT**

**RUSTON, LOUISIANA**

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**INDEPENDENT ACCOUNTANT'S REPORT ON  
AGREED-UPON PROCEDURES FOR THE PERIOD FROM  
JANUARY 1, 2014 THROUGH JANUARY 11, 2015**



Independent Accountant's Report on Applying Agreed-Upon Procedures

To the Honorable John F. Belton  
District Attorney for the Third Judicial District  
Ruston, Louisiana

We have performed the procedures included in our engagement letter and enumerated below, which were agreed to by the management of the District Attorney and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about financial matters and fiscal policies during the period from January 1, 2014 through January 11, 2015. Management of the District Attorney is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1. Complete the following procedures suggested in the Louisiana Legislative Auditor's *Checklist for Newly Elected Officials*:
  - a. Inventory capital assets, such as equipment, vehicles, and computers and compare to the agency's inventory listing for missing items. Report all missing assets to law enforcement officials and to the legislative auditor's office.

*We requested a copy of the inventory listing from the District Attorney's staff. The staff was unable to provide a listing that reconciled to the previous audit report. We requested that the staff obtain a copy from the auditor who issued an opinion on the District Attorney's 2013 financial statements. We attempted to physically inspect all of the items on the list that were greater than or equal to \$1,000 but were unable to do so as the descriptions on the list were too vague and did not include tag numbers or serial numbers. We only looked for items greater than or equal to \$1,000 because that is the threshold implemented by the District Attorney when we recommended that a threshold be used.*

*Conclusion: We were unable to complete a physical inventory.*

*Recommendation: We recommend that the District Attorney appoint an employee(s) to perform a physical inventory that results in a list that includes a proper detailed description, a cost or estimated cost amount, a tag number, a location, and a serial number. The capital assets reported in the District Attorney's financial statements should be adjusted to the list.*

- b. Account for all cell phones and pagers by attempting to physically locate all devices included on service provider bills paid during December 2014.

*We obtained the December check listings from the District Attorney's CPA who provides bookkeeping services.*

*In the General Fund, we noted payments to AT&T and MCI. There were also payments to Lincoln Parish Police Jury for "phone charges". We examined the invoices and noted no electronic devices.*

*In the Pine Hills Sexual Assault Center Fund (PHSAC), we noted payments to Verizon Wireless for service for two cell phones. We inspected one of the two phones in the possession of the PHSAC staff member who is on call at night. We were unable to meet with the PHSAC Director at the time of our testing.*

*In the Truancy and Assessment Fund (TASC) Fund, we noted payments to AT&T Mobility for three cellular numbers. Due to the timing of our visit we were unable to locate any of the devices. A TASC staff member indicated that one iPad was locked up and she did not have access to it. She also indicated that the TASC Director had an iPad in her possession but she was out of the office at the time of our visit. The staff member was not aware of any cell phones.*

*Conclusion: We were unable to locate some of the devices that vendors have billed the District Attorney's office for.*

*Recommendation: We recommend that the District Attorney appoint an employee(s) to attempt to locate the remaining devices. If the devices are not located, the District Attorney should notify the vendor(s). If the devices are not being charged to the appropriate fund(s), an accounting entry should be made to correct the periods affected.*

- c. Account for all credit cards by attempting to physically locating all cards billed per vendor statements paid during December 2014.

*We obtained the December check register from the District Attorney's CPA who provides bookkeeping services (outside accountant). We noted General Fund payments to Office Depot Credit Plan, Office Depot, Inc., Office Plus, and VISA. We noted Pine Hills Sexual Assault Center payments to VISA. No other payments were noted.*

*We also obtained a list of credit cards prepared by an accounting clerk. We matched the physical cards in the possession of the administrative assistant to the list without exception.*

*We obtained the files for the vendors listed above. We scheduled the cards indicated by the statements in the files and compared the card numbers to the list prepared by District Attorney employees. Two cards were identified in the statements that were not on the list prepared by employees. The cards appear to be the cards that were previously used by the former District Attorney and his first assistant. The former District Attorney had indicated to the current District Attorney that the two cards used by himself and his first assistant were destroyed.*

*Conclusion: We were unable to inspect two of the cards that were being used during 2014 as the cardholders assert that they destroyed the cards when they left office.*

*Recommendation: We recommend that any future destruction of credit cards be documented in the presence of at least two persons of appropriate levels of staff. We recommend that a log be maintained to document when the card(s) are checked out for use and returned again to the person charged to maintain custody of the cards.*

- d. Petty Cash:
- i. Count petty cash funds on hand.

*We obtained the trial balance as of December 31, 2014 from the outside accountant. We noted no accounts titled "petty cash". We noted one account titled "cash being held" with a balance of \$495.27. In the presence of an accounting clerk, we counted the cash in her bag which totaled \$14.53. We inquired of the administrative assistant and two accounting clerks and identified no other petty cash bags or boxes.*

*Conclusion and Recommendation: See ii below.*

- ii. Calculate the sum of receipts on hand in the petty cash box(es).

*In the presence of an accounting clerk, we summed the receipts in the petty cash bag which totaled \$44.22. We examined the receipts while calculating the total of the receipts. Purchases included postage of \$33.65 and supplies of \$10.67. The supplies were baskets. The staff donated candy to make gift baskets for the janitorial staff.*

***Conclusion: The \$10.67 spent on baskets appears to violate Article VII Section 14 of the Louisiana Constitution.***

***Recommendation: We recommend that the District Attorney educate employees as to Article VII Section 14 of the Constitution as well as other laws that are referenced on the Louisiana Audit Questionnaire required in an audit of financial statements.***

- iii. Compare the sum of the cash and receipts to the trial balance amount(s).

***The sum of cash and receipts in the bag was \$58.75. The trial balance amount is \$495.27.***

***Conclusion: There is a difference of \$436.52 between the trial balance amount for "cash being held" and the sum of physical cash and receipts.***

***Recommendation: We recommend that the District Attorney investigate the difference and adjust the trial balance to the actual amount.***

- iv. Identify the most recent check replenishing petty cash.

***We identified the most recent check replenishing petty cash as check number 11567, dated May 15, 2014 for \$50.00.***

- v. Examine receipts and determine if the disbursements were proper expenditures of the District Attorney's office and that controls were not circumvented by the use of petty cash.

***We examined the check copy. There were receipts attached but they totaled \$63.40. Per the accounting clerk, petty cash had not been reconciled for some time so a new fund was started with \$50.00.***

- e. Checks:
- i. Compare the last check numbers recorded by the previous administration to the first check numbers in the supply of blank checks. Investigate any missing numbers.

*This procedure was performed after January 12, 2015, so we attempted to account for check numbers issued from the following accounts from January 1, 2014 through the last check number issued on January 31, 2015. Accounts included in the procedure were:*

1. *General Fund*
2. *Salary*
3. *Pre-Trial Diversion*
4. *Cost of Prosecution*
5. *Pine Hills Sexual Assault Center*
6. *Title IV-D Fund*
7. *IWC Fund*
8. *TASC Fund*
9. *Bond Forfeiture*
10. *Special Asset Forfeiture - Lincoln*
11. *Special Asset Forfeiture - Union*

*We used check lists prepared by the outside accountants, check copies (for the series of checks that employees issue), actual void checks where available, and bank statements. We prepared a schedule to document the results. Missing check numbers include numbers that we were unable to locate in the accounting records, the check copies, voided checks, or the bank statements. For manual checks (checks issued by employees, not the accountant), one hundred and thirteen (113) checks were missing. Out of the 113 checks, eighty-nine (89) checks were from the Salary account. Per the accounting clerks, since a change in outside accountants in early 2014, the office no longer uses manual checks for salary (payroll). The accounting clerks destroyed the remaining stock when they began their duties as accounting clerks. The blank check stock maintained by the outside account is not pre-numbered. When checks are printed, the bank routing and account number and check number are printed on the checks. Therefore, we were unable to account for check numbers in the series used by the outside accountant. We noted instances where numbers were missing and where numbers were duplicated. We were unable to account for forty-nine (49) check numbers in this series.*

***Conclusion and Recommendation: See ii.***

- ii. Identify the first and last check numbers for 2014 recorded by the previous administration for each account. Determine whether all check numbers in between are recorded in the records for 2014.

***See i above.***

***Conclusion: A number of checks were unaccounted for. See details above.***

***Recommendation: We recommend: 1) that the District Attorney close any bank accounts that are not required by grantors or statute, 2) that all check stock be pre-numbered, 3) that check numbers be accounted for on a regular basis by someone not involved in securing the blank check stock, preparing checks, or recording checks and 4) that all original copies of voided checks be retained in a numerical order file.***

- f. Make a general review of the financial records to determine if records are complete and up-to-date. Determine whether the following records are available:
  - i. 2014 and 2015 adopted budget and all amendments, if any

***We obtained the budget files in possession of the accounting clerks.***

***Conclusion: The files included a 2014 budget, a 2014 amended budget, and a 2015 original budget. However, the budget files did not include a letter from the District Attorney implementing the budgets to indicate that they were adopted. Also, the files did not include evidence that a notice was published that the District Attorney complied with the budget act.***

***Recommendation: We recommend that, each year, the District Attorney ensure that the required adoption instrument is prepared and properly filed and that a notice is published certifying that all requirements of the budget act have been satisfied.***

- ii. 2014 and 2015 detailed general ledger

***We obtained the 2014 general ledgers from the outside accountant. We did not receive 2015 general ledgers as requested.***

*Conclusion: Other than check lists which do not reflect account coding, there were no accounting records, such as general ledgers, journals and bank reconciliations, on file in the District Attorney's office. All such records were in the possession of the outside accountant.*

*Recommendation: We recommend that the District Attorney require that copies of the following reports and records be filed in his office monthly: monthly financial statements, general ledger, cash journals, general journals, bank reconciliations, and schedules such as receivables and payables schedules to support balance sheet accounts. At year end, the file should also include a year to date general ledger.*

iii. 2014 monthly financial statements

*We obtained the available monthly financial statements from the First ADA and the outside accountant (December, just issued). Monthly financial statements were only prepared for June, November and December.*

*Conclusion: Monthly statements were not issued for several months. When the outside accountant was engaged in the spring of 2014, he began posting all activity from January 1, 2014 forward to catch up the accounting records.*

*Recommendation: We recommend that the District Attorney require monthly financial statements to be submitted to him by the 15<sup>th</sup> of the following month except in cases where extenuating circumstances exist that have been communicated to the District Attorney or his designee.*

iv. 2014 and 2015 cash receipts/cash disbursements journals

*We attempted to obtain cash journals from the outside accountant. See ii. Per the outside accountant, the software does not produce a cash journal with account coding. Check lists (no account codes), transaction lists and general journals are the only reports available other than the general ledger.*

*Conclusion: We obtained the available reports.*

*Recommendation: See ii above.*



- v. 2014 and 2015 paid and unpaid vendor invoices (obtain an accounts payable listing and balance with the unpaid vendor invoices) [Although all unpaid bills are important, specifically determine that payments for hospitalization and retirement liabilities are current.]

*We inspected files of paid invoices in the "accounting office" inside the District Attorney's offices. Files were filed by fund by vendor. We were unable to obtain from the outside accountant an accounts payable listing that agreed to the trial balance. We inspected the unpaid bills file in the possession of the accounting clerk responsible for accounts payable.*

*Conclusion: We were unable to obtain listings that agreed to the general ledgers. We noted no 2014 payables in the unpaid bills file. However, between our fieldwork and our exit conference, management identified some overdue bills. The accounting clerk was asked to compile a schedule of accounts payable as of January 1, 2015. Vendor invoices outstanding per the schedule totaled \$101,118.95 as follows:*

<i>General Fund:</i>	
<i>Accounting firms</i>	<i>\$10,700.00</i>
<i>Credit card companies</i>	<i>1,810.64</i>
<i>Insurance</i>	<i>33,087.41</i>
<i>Law firms</i>	<i>39,938.88</i>
<i>Lexis Nexis</i>	<i>5,064.28</i>
<i>Other governments</i>	<i>1,820.63</i>
<i>Other</i>	<i>4,672.51</i>
<i>Telephone companies</i>	<i>738.25</i>
<i>Xerox</i>	<i>1,608.60</i>
<i>Total</i>	<u><i>99,441.20</i></u>
<i>Title IV-D Fund:</i>	
<i>Other governments</i>	<i>7.48</i>
<i>Other</i>	<i>58.24</i>
<i>Telephone companies</i>	<i>171.70</i>
<i>Total</i>	<u><i>237.42</i></u>
<i>Pine Hills Sexual Assault Center Fund:</i>	
<i>Telephone companies</i>	<u><i>307.78</i></u>

<i>TASC Fund:</i>	
<i>Other governments</i>	70.64
<i>Other</i>	15.98
<i>Rent</i>	581.85
<i>Telephone companies</i>	52.38
<i>Xerox</i>	411.70
<i>Total</i>	<u>1,132.55</u>
<i>Total - all funds</i>	<u>\$101,118.95</u>

*The following General Fund amounts were marked "Past Due":*

<i>Accounting Services</i>	\$9,450.00
<i>Law firm</i>	22,206.50
<i>Law firm</i>	17,732.38
<i>Lexis Nexis</i>	1,509.03
<i>Lexis Nexis</i>	3,555.25
	<u>\$54,453.16</u>

*Also, management received notices from the Louisiana Department of Revenue (LDR). One notice from the LDR dated March 2, 2015, was for the filing period ended March 31, 2013 and included taxes, penalties, and interest of \$7,549.00, \$630.97, and \$44.90, respectively. The notice states that \$7,549.23 has been paid leaving a balance of \$298.19. A second notice from LDR, also dated March 2, 2015, was for the filing period ended June 30, 2014, and included taxes, penalties, and interest of \$7,185.00, \$1,796.25, and \$315.57, respectively. The notice indicates no payments have been made which leaves a balance of \$9,296.82. The general ledger indicates a liability of \$2,435.40 as of December 31, 2014.*

*It should be noted that as of December 31, 2014, total payables for the General Fund, not including the LDR notices above, were \$99,441 compared to cash available to pay bills (unrestricted nonpayroll cash) of \$29,172 (below).*

*Recommendation: See it above. Also, we recommend that the District Attorney research the apparent unpaid invoices and taxes and adjust liabilities and expenses as applicable. We further recommend that the District Attorney contact those vendors to whom payment is determined to be overdue.*

- vi. 2014 and 2015 purchase orders

*The District Attorney's office does not use purchase orders.*

*Conclusion: See 2 below.*

*Recommendation: See 2 below.*

- vii. 2014 and 2015 bank account statements with related cancelled checks and deposit slips

*Most of the bank statements were on file at the District Attorney's Ruston office. The following statements had to be requested from the bank/printed from the bank website:*

1. *PHSAC account - March and May*
2. *SAFF account - May*
3. *General Fund account - March and May*
4. *SAFF account CTB - December*
5. *Bond forfeiture account - December*
6. *IWC account - December*
7. *PTD account - December*
8. *Salary account - December*

*January 2015 bank statements became available as we worked.*

*The bank balances at December 31, 2014 were as follows:*

*Unrestricted*

1. *General - \$29,171.76*
2. *Salary - \$37,545.66*

*Restricted*

3. *TASC - \$15,275.74*
4. *IV-D - \$8,523.86*
5. *IWC - \$5,113.15*
6. *Pine Hills SAC - \$13,555.51*
7. *Cost of Prosecution - \$6,377.88*
8. *Pre-trial Diversion - \$14,485.31*
9. *Bond Forfeiture - \$3,371.55*
10. *Special Asset Forfeiture - CTB - \$29,328.08*
11. *Special Asset Forfeiture - FNB - \$9,502.31*

*Conclusion: Some bank statements were not on file.*

*Recommendation: We recommend that statements be filed as soon as they arrive in the mail. For those account statements that the bank(s) does not mail, the District Attorney should appoint an employee to print and file the statements from the internet promptly at a certain date each month.*

viii. 2014 Bank reconciliations

*The bank reconciliations were not on file at the District Attorney's office. We obtained bank reconciliations for all known accounts for all of 2014 from the outside accountant. The book balances as of December 31, 2014 were as follows:*

- 1. General - \$21,959.13*
- 2. Salary - \$26,382.18*
- 3. TASC - \$12,106.59*
- 4. IV-D - \$8,159.92*
- 5. IWC - (\$883.82)*
- 6. Pine Hills SAC - \$6,398.43*
- 7. Cost of Prosecution - \$5,904.03*
- 8. Pre-trial Diversion - \$23,716.61 (includes \$9,231.30 in stale deposits)*
- 9. Bond Forfeiture - \$1,459.55*
- 10. Special Asset Forfeiture - CTB - \$27,227.70*
- 11. Special Asset Forfeiture - FNB - \$9,310.31*

*Conclusion: We obtained the reconciliations from the outside accountant. We noted stale deposits in transit of \$9,231.30 on the account reconciliation for the Pre-trial Diversion Account. The four deposits have September 2014 dates.*

*Recommendation: See ii above. Also, we recommend that the District Attorney research the stale deposits and adjust the account as needed.*

ix. Payroll files:

a. 2014 Payroll registers

*The payroll journals were on file in the accounting office at the District Attorney's office. However, we were unable to locate a journal for the April 30, 2014 payroll.*

- b. 2014 Authorized pay rates

*While inspecting personnel files, we noted that authorized pay rates are generally documented in the personnel files.*

- c. 2014 Individual earnings records

*The payroll journals in the files in the accounting office at the District Attorney's office include year-to-date amounts. We also obtained earnings records from the outside accountant.*

- d. 2014 Time and attendance records

*Most employees are salaried. All employees complete time sheets. We inspected the time and attendance records in the possession of the accounting clerk and the administrative assistant.*

- e. Personnel files for all employees paid per the earnings records

*We inspected a personnel file for all employees who received a W-2 except one that the staff was unable to locate.*

- f. 2014 Records to account for vacation and sick leave earned and taken by employees

*See d above.*

- g. 2014 payroll tax reporting forms (IRS Forms 941 and W-2, LA withholding, etc.)

*The forms were not on file at the District Attorney's office. We obtained the forms from the outside accountant.*

*Conclusion: Some of the records were not on file at the District Attorney's office.*

*Recommendation: See it above. We further recommend that the District Attorney ensure that all files are consistently documented. All authorizations for additions and deductions to employees' salaries and wages should be clearly documented in the personnel files by signed internal forms (initial and subsequent pay raises) or government forms (W-4 and the like), or vendor forms (insurance and the like). We recommend that each personnel file include a log of pay rate changes in the front of the folder to facilitate quick review or audit of changes. The District Attorney should consider whether the files are in compliance with laws and regulations affecting employee personnel files.*

- g. Determine that long-term debt payments are up-to-date (verify with the financial institution) and that bond reserve and contingency payments are being made.

*We noted no debt balances in the general ledgers or the 2013 audited financial statements. We noted no payments on debt in the general ledgers. See procedure 8 where we examined significant deposits. We noted no deposits that appeared to be debt proceeds.*

*Conclusion: We noted no exceptions.*

*Recommendation: We have no recommendation at this time.*

- h. Identify payments for insurance policies in the 2014 check registers. Locate the policies for each payment. Determine if insurance is in force for general liability, fire and extended coverage, and vehicles.

*We identified the payments and prepared a schedule.*

*Conclusion: We located all of the policies.*

*Recommendation: We recommend that the duty of monitoring insurance policies be clearly assigned to an employee who will maintain files and notify the District Attorney or his designee of impending renewals or issues.*

- i. Determine whether access to computer files was terminated for all former employees/elected officials.

*We determined through our interviews of employees that the Lincoln Parish Police Jury's technical personnel also serve the District Attorney's office.*

*Conclusion: We noted no exceptions.*

*Recommendation: We recommend that the District Attorney or his designee, contact the appropriate person and ensure that proper changes were made.*

- j. Ascertain what computer backup procedures are in place.

*See i above.*

2. Complete the Louisiana Legislative Auditor's *Best Practices in Government Checklist*.

*We completed the questionnaire except where it would be inappropriate for us as outside accountants to do so. See the attachment.*

*Conclusion: See "no" answers on the checklist attached.*

*Recommendation: We recommend that the District Attorney implement all procedures included in the Best Practices in Government Checklist when the cost to do so would not exceed the benefit.*

3. Select a haphazard sample of ten nonpayroll checks issued from each bank account during the year ended December 31, 2014. Examine the invoice or other support for each of the selected items to obtain a description of the purchase. Schedule the items tested. Indicate whether the payments were disbursed/charged to the proper fund and account.

*We selected a sample (total of 95) and reviewed the invoices or other support. We did not test classification as to fund and account for this sample for the following reasons:*

- 1. During the course of performing other procedures, we noted several posting errors. Testing these disbursements would likely provide further evidence that there were posting errors but would not provide information that would change our recommendations.*
- 2. The reports made available to us would make testing classification very time consuming. There was no traditional check register that provided the account number and description that the checks were posted to. There was a transaction list with the account number only or we could search the general ledger to determine what account(s) the check was posted to. The additional time needed would add cost to the engagement without providing further benefits to the District Attorney.*

*Conclusion: We noted four checks that were not supported by invoices or other support. During the performance of other procedures, we noted numerous posting errors in the accounting records.*

*Recommendation: We recommend the District Attorney review the 2014 general ledger for posting errors and ask the accountant to correct them before a financial statement audit is performed. We recommend that the District Attorney require that the outside accountant submit to an employee to be designated by the District Attorney, a copy of the general ledger for review each month before financial statements are finalized.*

4. For all checks issued from December 1, 2014 through January 11, 2015, schedule the details of each check. Examine the invoice or other support for each of the selected items to obtain a description of the purchase. Schedule the items tested. Indicate whether the payments were disbursed/charged to the proper fund and account.

*We identified one hundred and thirty-seven (137) checks issued during that period. At the time of the testing, for some accounts, there were no January 2015 check lists present and the January 2015 bank statements were not yet available. We reviewed the invoices or other support as required.*

*Conclusion: We identified fifty-eight (58) checks issued from the General account. We noted 1 check number that was unaccounted for and one check that was not supported by an invoice or other support.*

*We identified three (3) checks issued from the Pre-trial/Diversion account. We noted no check numbers that were unaccounted for and no checks that were not supported by an invoice or other support.*

*We identified no checks issued from the Cost of Prosecution account.*

*We identified twenty-four (24) checks issued from the Pine Hills Sexual Assault Center account. We noted one voided check, one check number that was unaccounted for and no checks that were not supported by an invoice or other support.*

*We identified six (6) checks issued from the Title IV-D account. We noted no check numbers that were unaccounted for and no checks that were not supported by an invoice or other support.*

*We identified seven (7) checks issued from the IWC account. We noted no check numbers that were unaccounted for and no checks that were not supported by an invoice or other support.*

*We identified twenty-two (22) checks issued from the TASC account. We noted no check numbers that were unaccounted for and no checks that were not supported by an invoice or other support.*



*We identified three (3) checks issued from the Bond Forfeiture account. We noted no check numbers that were unaccounted for and no checks that were not supported by an invoice or other support.*

*We identified eight (8) checks issued from the Special Asset Forfeiture - Lincoln account. We noted no check numbers that were unaccounted for and no checks that were not supported by an invoice or other support.*

*We identified eight (8) checks issued from the Special Asset Forfeiture - Union account. Four of the eight checks were voided. We examined the voided checks. We noted no check numbers that were unaccounted for and no checks that were not supported by an invoice or other support.*

*Recommendation: See the recommendation at procedure 3.*

5. By examination of invoices, prepare a summary of expenditures by vendor (including check number, check date, vendor name, description of purchase, invoice date, and invoice amount) for the year ended December 31, 2014 for the following general ledger accounts:
  - a. Travel expense
  - b. Rent expense
  - c. Repairs and maintenance expense
  - d. Contract expense
  - e. Professional services expense
  - f. Other/miscellaneous expense

*We prepared the schedule as indicated. The following are the number of checks or journal entries posted to the accounts and the results of our testing:*

- a. *Miscellaneous - 20 - No support was provided by the outside accountant for the only journal entry.*
- b. *1624 Professional fees - 27 - No support was provided by the outside accountant for the five journal entries included here.*
- c. *1625 Professional fees - 13 - No support was provided for one check and one journal entry.*
- d. *1626 Contract Services - 62 - No support was provided by the outside accountant for two accounting entries.*
- e. *1630 Rent - 43 - No support was provided by the outside accountant for one journal entry.*
- f. *1636 Repairs and Maintenance (PHSAC) - 1*

- g. 1660 Travel - 28 - No support was provided by the outside accountant for one journal entry.*
- h. 1661 Travel and meals (PHSAC) - 1*
- i. 2660 Travel (IV-D) - 2*
- j. 3626 Contract Services (IWC) - 8*
- k. 4626 Contract Services (TASC) - 81 - No support was provided by the outside accountant for one journal entry.*
- l. 4630 Rent (TASC) - 20 - No support was provided by the outside accountant for three journal entries.*

*While performing this procedure, we noted several check copies in the vendor files for check numbers that we did not see in the general ledger. While we did not test account coding, we noted several coding errors in the course of performing this test. See procedure three for an explanation as to why we did not test account coding.*

*Conclusion: See errors noted above.*

*Recommendation: See the recommendation at procedure number three.*

6. From the check registers for the period from January 1, 2014 through January 11, 2015, prepare a schedule of checks issued to employees that do not appear to be regular payroll checks. Examine support for the check(s) and indicate whether the amount paid appears to be a proper expenditure of the District Attorney. Indicate whether the amount was posted properly as to fund and account.

*We obtained the check registers (check lists) from the outside accountant for the specified period. We prepared a schedule of checks issued to employees that did not appear to be regular payroll checks. We identified forty-one (41) such checks. We examined support for all of the checks. One check was issued for mileage but the purpose of the mileage was not documented. The reimbursement request for one check was not dated.*

*One check was for mileage and was coded to auto expense. Mileage is typically classified as travel. Auto expense typically consists of costs to maintain vehicles.*

*One check was issued to replenish petty cash was posted to travel. See procedure number 1(d)(iv).*

*While performing this procedure, we noted that a part-time receptionist is classified as contract labor. It appears she should be classified as a part-time employee.*

*We also noted that the person on call in the evenings for PHSAC is paid as contract labor. It appears that she also should be paid as an employee.*

*We tested 23 of the 41 for posting to the proper account. Nine (9) checks were not posted to the proper account. We were unable to find nine (9) of the checks in the transaction lists to be able to test the account coding. Conclusion: We noted no checks that were not a proper expenditure of the District Attorney's office. We noted posting errors and possible employee classification errors.*

*Recommendation: See the recommendation at procedure number three. Also, we recommend that the District Attorney review the classification of all individuals currently classified as contract labor to determine if the classification is appropriate considering guidelines from the Internal Revenue Service.*

7. Examine the employee earnings registers for checks issued from January 1, 2014 through January 11, 2015 and prepare a schedule of checks that appear to be out of the ordinary. Examine support for those checks and document the details of the support for the checks.

*We examined the payroll journals on file at the District Attorney's office. We compared the year-to-date earnings total to the last December pay period amount and noted no unusual amounts. We noted no checks that appeared to be out of the ordinary.*

*Conclusion: We noted no exceptions.*

*Recommendation: We have no recommendation at this time.*

8. From the deposit slips and/or bank statements for the period from January 1, 2014 through January 11, 2015, prepare a schedule of deposits greater than \$25,000 and examine support to determine the source of the funds. Indicate whether the funds are posted properly as to fund and account.

*From 2014 bank statements for the eleven accounts we are aware of, we scheduled all deposits greater than \$25,000. From the 2015 cash journal, we scheduled all deposits greater than \$25,000 posted with dates between January 1, 2015 and January 11, 2015. We attempted to examine support for all of the deposits and to document whether the deposits appeared to be properly posted as to fund and account.*

*We did not test the deposits for classification errors. See the notes at procedure three.*

*Conclusion: Due to changes in personnel and the outside accountant, procedures for processing deposits and filing support were not consistent during the year. We were unable to locate support for parts of five deposits. For four of the five deposits, the amounts were \$50 and are believed to be expunge fees. The fifth deposit appears to be a transfer between accounts. The staff had to search for many documents supporting deposits made in the first half of the year.*

*Recommendation: We recommend that policies and procedures pertaining to deposits and receipts be written to reduce the effect of changes in personnel. Also see the recommendation at procedure three.*

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the District Attorney's office and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

BOSCH & STATHAM, LLC

*Bosch & Statham*

Jonesboro, Louisiana  
June 5, 2015

**John F. K. Belton, District Attorney**

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MANAGEMENT RESPONSE TO TRANSITION AUDIT  
FOR  
PERIOD OF JANUARY 1, 2014, THROUGH JANUARY 11, 2015

TO: Bosch & Statham  
Certified Public Accountants  
P. O. Box 303  
Jonesboro, LA 71251

A transition audit was requested by the current administration to provide an overview of the finances of the Office of District Attorney for the Third Judicial District during the period of January 1, 2014, through January 11, 2015, as the office underwent a change in administration effective January 12, 2015. The information was necessary to assist the current administration in determining the financial state of the office and to provide the information necessary to address financial issues.

The audit has been performed and the results received. The audit has been reviewed in detail. Current management acknowledges the historical findings and concurs.

The current administration plans to institute the recommended corrective actions to address the deficiencies in effect at the time of the transition. Many of these deficiencies have already been corrected, including the payment of a significant amount of the long-term overdue debt inherited by current management.

Management will adopt the recommended procedures to enable the office to operate in a long-term fiscally responsible manner.

Respectfully Submitted,

  
John F. K. Belton,  
District Attorney