

Plaquemines Parish Government

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District 4 - Irvin Juneau Jr.
District 5 - Benedict "Benny" Rousselle
District 6 - Charlie Burt
District 7 - Audrey Trufant-Salvant
District 8 - Jeff E Edgecombe
District 9 - Nicole Williams

July 10, 2018

Management responses (as updated) to the July 10, 2018 "Employee Expense and Mileage Reimbursements Internal Audit Follow-Up Report"

Observation #1: There doesn't appear to be an overall Policies and Procedures manual in place for employee expenses and employee mileage reimbursements.

Management response: Previous administrations have included their policies and procedures relating to employee expense and mileage reimbursements in Resolutions and Ordinances that were adopted by the Council. A more detailed policies and procedures manual for such expenditures has now been drafted and will be submitted for Council approval

Observation #2: The business purpose needs more detail.

Management response: We believe that the governmental/business purpose is in most cases adequately provided, either on the expense report forms or on the supporting documentation. However, we have added further guidance in the policies and procedures manual for providing adequate documentation.

Please note that for the majority of 2017, there was no Director of Administration and no functioning Chief Internal Auditor (the current Chief Internal Auditor was not hired until September 27, 2017), so some expense reports may not have gone through the normal review process or they may have been reviewed by Internal Audit before the final approval for payment.

The documentation requirements and authorization and review process specified in the draft policies and procedures manual should provide assurance that business purpose is adequately documented.

Observation #3: Of the thirty-one (31) mileage reimbursement forms reviewed, four (4) included a MapQuest to help validate employee miles driven and twenty-seven (27) did not have any mileage support.

Management response: Odometer readings or reasonable mileage estimates have previously been acceptable to external auditors, as well as legislative auditors. However we agree that MapQuest, Tripmaker, "How Far Is It?", or a similar document would provide better validation of mileage. We have added a comment on the mileage expense form and in the policies and procedures manual that MapQuest or similar documentation is preferable, but odometer readings are also acceptable. Please note that according to the State of Louisiana Travel Guide 2017-2018, odometer readings are an acceptable form of documentation for mileage. The draft policies and procedures manual now includes a requirement that mileage be supported by either a MapQuest type document or by odometer readings.

Observation #4: Employee expense and mileage forms are being sent to internal audit for review and approval.

Management response: Previous Parish Councils have requested that Internal Audit review all expense reports. Internal Audit's signoff has been considered a "review" and not an "approval". Management takes full responsibility for review and approval of the expense reports. The draft policies and procedures manual, as well as the forms for reimbursement, now clarify the required approvals. There has been some confusion, as the current Chief Internal Auditor sent an email requesting that all employee expense reports be sent directly to him. Some expense reports were apparently sent to him before going through the entire approval process. Under the draft policies and approvals manual, all expense reports will now go to the Director of Administration for final approval and submittal to the Accounts Payable Department for payment. We understand that the Internal Audit Department will review but not approve employee expense reports on a test basis (after checks have been prepared) as a part of its regular audit procedures.

Observation #5: Of the nineteen (19) employee expense reports reviewed four (4) were not independently reviewed by the employee's supervisor. Of the thirty-one (31) employee mileage reimbursement forms reviewed, four (4) were not independently reviewed by the employee's supervisor.

Management response: Of the four expense reports in question, two were for Directors, one for the Parish President, and one for the designee of an elected official. The four employee mileage reports were from four different Council members. All apparently thought they had final approval authority for their expense reports. The draft policies and procedures manual clarifies required approvals, including final approval by the Director of Administration.

Observation #6: It appears that Departments do not have written monitoring procedures in place, other than Council Resolutions and Ordinances.

Management response: Past Council Resolutions and Ordinances have served as our policies and procedures. A much more detailed draft of a policies and procedures manual has been prepared and will be submitted to the Council for approval.

Observation #7: During the audit it was noted that management does not have an organizational chart in place.

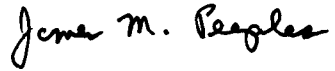
Management response: Organizational charts were available in the office of the Director of Administration, but no request was made to the Director of Administration by Internal Audit. Management has updated an overall organizational chart and will update charts for individual departments as time permits.

Observation #8: There does not appear to be an overall Internal Control Framework such as COSO throughout the organization.

Management response: Management believes that there is a strong system of internal controls in place. However, the controls have not been fully documented. We are preparing documentation of internal controls and policies and procedures for individual departments as time permits.

Observation #9: The Resolution does not state the business distance that employees must travel away from home/office to be able to receive reimbursement (for meals).

Management response: Management believes that this is not necessary. If there is a legitimate approved governmental/business reason for the meal, Management believes that it should be reimbursable, regardless of the distance traveled.

A handwritten signature in black ink that reads "James M. Peebles". The signature is written in a cursive style with a large initial 'J'.

James M. Peebles, Director of Administration