

Minutes of a meeting of the Plaquemines Parish Council Audit Committee held in the Belle Chasse Council Building, Council Chambers, 333 F. Edward Hebert Blvd., Bldg. 203, Belle Chasse, Louisiana on Thursday, March 11, 2021, at 1:00 p.m. pursuant to notice to all members with a quorum present as follows:

PRESENT: Council Member Benedict Rousselle
Council Member Mark Cognevich
Council Member Trudy Newberry

Kim M. Toups, Secretary

The meeting was called to order, roll call was taken and the pledge was recited.

Mr. Randy Duke, Internal Auditor was present.

Directors Crystal Taylor and Todd Eppley was present representing the Administration.

Council Member Rousselle moved to Agenda Item 2, "New Business". Without objection, so ordered.

Under Agenda Item 2a, "Review of PPG Leased Property/Boat Harbors Follow-Up Internal Audit Report" Mr. Duke reviewed the Observations, Recommendations and Status of Internal Audit Recommendations and Management Response to the audit.

- **Observation No. 1:** Policies and Procedures Manual
Recommendation: A PPG Contract and Agreement written policy manual should be established, maintained and approved for Property, Lease, and Building Rentals by the Parish President and the Parish Council.
Management Response: There is no written policy in place. PPG follows the state law. Building rentals are addressed by various ordinances.
- **Observation No. 2:** The Assessor's office Adjudicated Properties
Recommendation: If the parish has acquired a tax interest in these 106 adjudicated properties and if specific procedures are followed, Louisiana law allows the governmental body to sell their tax interest in the property.
Management Response: PPG agrees this is an issue that needs to be addressed. However, a comprehensive plan and legislation is necessary to move this issue forward. Legal is currently investigating several options, but 5 hurricanes, the pandemic and the budget crisis prevented us from making significant progress last year.
- **Observation No. 3:** General Leases
Recommendation: Ensure that a current insurance certificate is in the file, all authorizing agreement signatures are dated, supporting expense documentation for lessee property improvements are validated and in the file, a current appraisal of the property and improvements are in the file, and the lessee's 2017-2019, detailed revenue received from these properties are also in the file. It appears that the General Lease Properties could be renegotiated to better benefit the parish.
Management Response: PPG is implementing the recommendations.
- **Observation No. 4:** Boat Harbor and Shipyard Leases
Recommendation: Ensure that a current insurance certificate is in the file, all authorizing agreement signatures are dated, supporting expense documentation for lessee property improvements are validated and in the file, a current appraisal of the property and improvements should be in the file, and the lessee's 2017-2019, detailed revenue received from these properties are also in the file. It appears that the Boat Harbor and Shipyard Leases could be renegotiated to better benefit the parish.
Management Response: PPG is implementing the recommendations, but PPG order annual appraisals for all its leased properties, as this would be expensive. The Boat Harbor and Shipyard leases and amounts are established by Ordinance, there is no negotiating price. If the Council desires increased rental fees etc., it should amend the Boat Harbor and Shipyard Leases Ordinances.

- **Observation No. 5:** Cooperative Endeavor Agreements
Recommendation: PPG should be able to show based upon the information and records received or available to PPG, compliance with Article VII, Section 14C of the 1974 Constitution of the State of Louisiana, that the public benefit created must be at least equivalent to the expenditure or transfer made by the agency.
Management Response: PPG believes there is enough evidence and documentation to support that all its CEAs are in compliance with Art. VII, Section 14C
- **Observation No. 6:** Auditorium and Community Center Rentals
Recommendation: Ensure that Ordinance No. 19-124, continues to be monitored and the dollar rental amounts adjusted for inflation.
Management Response: PPG concurs, but any inflation adjustments must be authorized by Ordinance.

Council Member Rousselle asked if there were any questions from the Board, the Administration and the audience; however, there were none. He went on to say he believes if the Council approves the contract with Latter & Blum, we may put some more structure in our contracts and follow up on the agent's actions at a latter date. Council Member Newberry pointed out that this audit was done on July 31, 2020 and she sked if there has been any conclusions. Council Member Rousselle explained that we have had responses from Administration that they will implement some of Mr. Duke's recommendations. Now we are looking to the Administration to suggest how to proceed with the recommendations. Mr. Duke said the Administration needs to let us know what ordinances to increase. Council Member Rousselle asked the Directors in attendance to follow-up on this matter in order for the Council to moved on the legislation needed. Council Member Newberry said she hopes we do not wait years down road for the Administration to follow up. Council Member Rousselle suggested allowing 30 days for the Administration to provide information regarding the recommendations. He then asked Mr. Duke to send an email to Mr. Eppley, Mrs. Taylor and President Lepine regarding this mater.

Under Agenda Item 2b, "Review of Time & Attendance Follow-Up Internal Audit Report. Mr. Duke reviewed the Observations, Recommendations and Status of Internal Audit Recommendations and Management Response to the audit.

- **Observation No. 1:** Monthly Payroll Personnel
Recommendation: Consider certifying in the memo, that the employees have worked their required work hours as stated by the following LLA Best Practice. *If not using timesheets, employees must otherwise certify that they have worked their required hours (e.g., 40 hours/week for a full-time employee).* In addition, I would recommend that these letters or memos be dated at the end or beginning of each the month. These offices including the one (1) employee under Administration that sends to payroll a monthly timesheet (Courthouse Security) may consider changing from monthly to the standard bi-weekly payroll process as this is the standard practice in Plaquemines Parish Government.
Status of Internal Audit Recommendations and Management Responses: Director of Administration states - Mr. Duke there are two (2) Courthouse Security Guards at this time. Since the audit and suggestions by the Audit Committee, these employees are now clocking in on a time clock and attaching the timecards to their timesheets. The 25th JDC Division A has included the language certifying employees have worked the required hours necessary and has dated t the payroll letter as recommended. The 25th Division B certifies monthly the employees that have worked for the current pay period and has adjusted the date of the payroll authorization letter as recommended.
- **Observation No. 2:** Compensatory Time
Recommendation: In my opinion, a management approved Compensatory Time policy should be in place. The policy should comply with best practice as stated in the above condition.
Status of Internal Audit Recommendations and Management Responses: The Director of Administration states - After the Internal Auditor's meeting, I discussed Compensatory Time with Finance, Payroll, the Directors and the President and all agreed that no department is currently or plan to use Compensatory Time. As stated previously, this is a practice we do not practice and have no plans to implement. The 25th JDC Division A office does have a

Compensatory policy in place. The 25th JDC Division B office has a compensatory time policy in place for eligible employees.

- **Observation No. 3:** Employee Time Clocks & Biometric Systems

Recommendation: To improve timekeeping accountability and to save money as shown in Chart 2 above, consider a biometric employee timekeeping system which is more accurate and reliable than time clocks. Biometric systems include fingerprints, iris prints, hand geometry, and voice prints to track and verify employee time and attendance. Finger check timekeeping system is another good option to consider and is inexpensive.

Status of Internal Audit Recommendations and Management Responses:

The Director of Administration states - Mr. Duke, Bob Gelpi, IT Manager and Mark Hill, Applicants Specialists are both waiting on quotes for the electronic timekeeping system. Mark Hill thinks if we can find a system that is compatible to our New World system, it may not be as costly. The 25th JDC Division A uses a monthly timesheet currently, but agrees with the recommendation of a Biometric system if financially feasible. The 25th JDC Division B does not use a time clock because of the type of work that the staff performs and the cost. Timesheets are completed with daily entries and submitted monthly to the Administrator for review and approval. The Director of Public Services states: the only thing I would add is that the biometric has not been a feasible option since COVID due to possibly spreading the virus on a multi touch surface. This is the reason I haven't priced the system

- **Observation No. 4:** Analysis of Employee Timesheets and Time Cards

Recommendation: In my opinion, the Finance / Payroll should review employee time cards as final check before pay date.

Status of Internal Audit Recommendations and Management Responses: The Director of Administration states - Administration will continue to attach the Register Report verifying hours work. The timecards are available for review upon request. The 25th Division A requires a monthly timesheet and they are reviewed by the Administrator. The 25th JDC Division B requires timesheets to be reviewed by the Administrator.

Director of Administration, Crystal Taylor, explained she has contacted two companies regarding swipe card and finger and palm scanning. One company has software which can interface with our New World System. The initial quote from this company, which includes a set up cost and one time license is approximately \$93,500.00; however, this does not include the actual time clocks. The other company provided a quote for 20 time clocks and a set up fee at approximately \$130,500.00. In addition to that amount there would be an annual fee of \$26,000. Council Member Rousselle said with a possible savings of \$1.5M it seems like investing in a biometric system would be worth it. He further stated that the DA's office uses a biometric system and he is very happy with the results.

Under Agenda Item 2c, "Review of the YMCA Follow up Audit Report", Mr. Duke reviewed the Observations, Recommendations and Status of Internal Audit Recommendations Management Response.

- **Observation No. 1:** YMCA Management and Service Agreements, CEA's

Recommendation: Ensure that contracts, CEA's and other agreements are properly signed and executed before any contractor payments are made. In my opinion, all PPG agreements should be reviewed and approved by the Parish Council.

Status of Internal Audit Recommendations and Management Response: The CEA is executed and current.

- **Observation No. 2:** YMCA Value Analysis

Recommendation: Each Year all CEA's should be monitored and documented for compliance with the Louisiana State Constitution Article 7 § 14 and the Supreme Court's Cabela's Decision on Article VII, §14, and the Louisiana Attorney General's Three-Prong Test as stated above.

Status of Internal Audit Recommendations and Management Response: The CEA was reviewed in December and the auditor's opinion is that PPG and YMCA are in compliance with the state constitution.

- **Observation No. 3:** YMCA CEA, Section 4 - Accounting

Recommendation: Ensure that agreements are properly signed and executed before vendor payment is made to avoid this type of error in the future.

Status of Internal Audit Recommendations and Management Response: Quality Assurance has not been done yet as the audit was just completed in December 2020.

- **Observation No. 4:** YMCA CEA, Section 8 - Inspection and Access

Recommendation: In my opinion a Quality Assurance Audit report should be completed each year in accordance with the CEA and sent to the Parish President, Director of Public Service, the Audit Committee and the Internal Auditor. Normally this type of audit (Quality Assurance) is performed by the Contract Administrator but can be performed by the Internal Audit Department. A Right to Audit Clause should be written in the agreement.

Status of Internal Audit Recommendations and Management Response: Quality Assurance has not been done yet as the audit was just completed in December 2020.

- **Observation No. 5:** YMCA CEA, Section 11 - Vending Machines

Recommendation: In my opinion, a new Vending Machine contract should be initiated, and a copy sent to the Parish President, Director of Public Service, Legal Department, Audit Committee and the Internal Auditor.

Status of Internal Audit Recommendations and Management Response: Vending machine contract has been provided.

Council Member Rousselle said that this audit produced some positive results.

Council Member Rousselle moved to Agenda Item, 2d, "Adoption of Legislation" and the following Resolution was adopted:

RESOLUTION NO. 21-1

On motion of Council Member Rousselle, seconded by Council Member Newberry, and on roll call all members present voting "YES", the following Resolution was adopted:

A Resolution to amend the start time for the monthly Audit Committee Meetings; and otherwise to provide with respect thereto.

WHEREAS, the Audit Committee currently meets at 9:30 a.m. on the second Thursday of each month in the Belle Chasse Council Building Chambers; and

WHEREAS, it is the desire of the Audit Committee to change the start time of its meetings from 9:30 a.m. to 1:00 p.m.;

NOW, THEREFORE:

BE IT RESOLVED BY THE PLAQUEMINES PARISH AUDIT COMMITTEE THAT IT hereby sets the start time of its meetings to 1:00 p.m. on the second Thursday of the month in the Belle Chasse Council Building Chambers.

BE IT FURTHER RESOLVED BY THE PLAQUEMINES PARISH COUNCIL AUDIT COMMITTEE THAT the Secretary of this Committee is hereby authorized and directed to immediately certify and release this Resolution and that Parish officials and employees are authorized to carry out the purposes of this Resolution, both without further reading and approval by the Plaquemines Parish Council Audit Committee

Council Member Rousselle moved to Agenda Item 3a, "Audits in Progress-Council on Aging Internal Audit". Without objection, so ordered. Mr. Duke stated he is currently receiving data and he is hoping to have audit completed to present at the May meeting.

Council Member Rousselle moved to Agenda Item 3b, "Audits in Progress-Animal Welfare Society Internal Audit". Without objection, so ordered. Mr. Duke said he is starting to receive the data and he will have the audit completed no later than the May meeting or even possibly in April.

Council Member Rousselle moved to Agenda Item 4, "Approval of minutes from the February

11, 2021 meeting”. Without objection, so ordered. On motion of Council Member Cognevich, second by Council Member Newberry and on roll call, all members present voting “YES”, the minutes were adopted by a vote of 3-0.

There being no further business to come before the Committee, on motion of Council Member Cognevich, seconded by Council Member Newberry and on roll call all members present voting “YES”, the meeting was adjourned at 1:35 p.m. with a vote of 3-0.

CHAIRMAN

SECRETARY

A full copy of the report can be found on the Parish website: www.plaqueminesparish.com by selecting “Government” and then clicking on the “Internal Audit” link or at the Council Secretary’s Office.