

CHARLIE CALDWELL, JR.
SHREVEPORT CITY MARSHAL
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 25, 2012

Summary of Audit Results

- I. The auditor's report expresses an unqualified opinion on the financial statements.
2. No significant deficiencies in internal accounting control over financial reporting were disclosed during the audit of the financial statements.
3. Two instances of noncompliance material to the financial statements were identified during the audit.

FINDING 2012-1:

Condition:

Employee Use of Marshal's Office Vehicles:

The majority of the employees of the Marshal's office drive a vehicle owned by the Marshal's office. These vehicles are driven home by the employees on a daily basis. The Marshal's office pays the insurance, maintenance and gasoline for these vehicles. Employees are not required to maintain a mileage log for use of these vehicles. Use of these vehicles is not reported on the employees's W-2. This practice by the Marshal's was reported in a management letter for the prior two years. No action was taken on the auditor's recommendation to obtain a legal opinion as to whether this practice is a violation of the Louisiana State Constitution and Internal Revenue Service regulations.

Criteria:

This appears to be a violation of Article 7, Section 14 of the Louisiana State Constitution and Internal Revenue Service regulations.

Cause:

Interpretation of Louisiana State Constitution by the Marshal's office.

Recommendation:

I recommend the Marshal's office obtain a legal opinion to determine if this situation constitutes a violation of Article 7, Section 14 of the Louisiana State Constitution.

Management's Response and Corrective Action Plan:

Subsequent to year end, we requested an opinion from the Office of the Attorney General regarding this matter. We have not received a reply to our request.

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Year Ended December 25, 2012

FINDING 2012-2:

Condition:

Lodging Expenses of Marshal and Deputies:

During the year ended December 25, 2012, the Marshal and four deputies attended the Nuts N Bolts conference in Destin, Florida. The Marshal and deputies chose to stay in two bedroom condominiums as opposed to a standard one bedroom hotel room available at the conference. As a result, the Marshal's office funds were used to pay lodging expenses totaling approximately \$10,178 above the standard one bedroom rate offered at the conference.

According to Attorney General Opinion 03-0157 "providing exclusive or luxurious accommodations for attendance at a conference, when safe, reasonably priced accommodations could instead be provided, would be unreasonable." The current practice of booking two bedroom condos when a single hotel room is available does not appear congruent with this opinion. In addition, the use of public funds to pay lodging charges that are more than what is necessary appears to be a donation in violation of Article VD, Section 14 of the Louisiana Constitution which provides, in part, that "except as otherwise provided by this constitution, the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private.

Criteria:

This appears to be a violation of Article VD, Section 14 of the Louisiana State Constitution resulting in questioned costs of \$10,178.

Cause:

The Marshal's office does not have a written policy regarding travel.

Recommendation:

I recommend the Marshal's office adopt a travel policy that complies with the Louisiana State Constitution.

The policy should provide specific guidance as to what is allowable relating to business, conference, and seminar travel.

Management's Response and Corrective Action Plan:

We agree with the finding. We will adopt a travel policy that complies with the Louisiana State Constitution.