

ST. TAMMANY PARISH DEVELOPMENT DISTRICT



ADVISORY SERVICES
PROCEDURAL REPORT
ISSUED JULY 12, 2017

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Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE

St. Tammany Parish Development District

July 2017



Audit Control # 70160067

Introduction

The Louisiana Legislative Auditor (LLA) performed certain procedures at the St. Tammany Parish Development District (District) to address the requirements of Act 774 of the 2014 Regular Legislative Session, as amended. The primary purpose of our procedures at the District was to assist the District in evaluating certain controls that the District uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and overall accountability over public funds. Our procedures were more limited than an audit; therefore, we are not issuing an opinion on the District's financial statements nor the effectiveness of the District's internal control over financial reporting and compliance.

The District is a subdivision of the State of Louisiana with the primary objective and purpose of promoting and encouraging the development of economic and industrial opportunities, stimulating the economy through renewed commerce and industry, and for the utilization and development of natural and human resources within St. Tammany Parish by providing job opportunities. The district receives the majority of its annual revenues from hotel/motel taxes in St. Tammany Parish.

Approximately 89% of the District's non-pass-through revenues are paid to the St. Tammany Economic Development Foundation (Foundation), a nonprofit corporation, based on the terms of a management contract. The District and Foundation have a close relationship, including (1) sharing the same building, (2) utilizing the Foundation's Chief Executive Officer as the District's unpaid Executive Director, and (3) utilizing the Foundation's Operations Director as the District's unpaid Records Custodian. In addition, the Foundation's Chief Executive Officer serves as a member of the District's Board of Commissioners.

Results of Our Procedures

Follow-up on Prior-year Exceptions

We assessed the status/resolution of exceptions reported in the Agreed-Upon Procedures Report dated December 28, 2015. The prior-year exception relating to the lack of written policies and procedures over ethics requirements has not been fully resolved and is being reported again as a current-year exception.

Current-year Exceptions

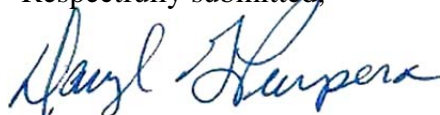
We requested the District's written policies and procedures and noted that the District did not have written policies and procedures to address all financial or operational areas. In addition, for those policies and procedures that were provided for our review, we noted incomplete documentation in the following areas:

- Disbursements - processing, reviewing, and approving disbursements
- Receipts - receiving, recording, and preparing deposits
- Contracting - types of services requiring a written contract, standard contract terms and conditions, legal review requirements, and contract monitoring process
- Ethics - actions to be taken if an ethics violation occurs and a system to monitor possible ethics violations

Recommendations: We advise the District to strengthen controls over its financial and operational areas by implementing and/or updating written policies and procedures. Sample best practice documents are available for reference on the Louisiana Legislative Auditor's website.

Under Louisiana Revised Statute 24:513, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/ch

STP DD 2017

APPENDIX A

Management's Response

ST. TAMMANY PARISH
DEVELOPMENT
D I S T R I C T

MANAGEMENT'S RESPONSE

Upon the effective date (January 1, 2018) of the recently enacted Act 242, the St. Tammany Parish Development District (the District) will assume the role of lead economic development entity in St. Tammany Parish and manage its own operations. The District has reviewed the recommendations of the Louisiana Legislative Auditor regarding its policies and documented procedures and will work to implement the best practices suggested.



Brenda Bertus
Executive Director