

**TWENTY-SECOND JUDICIAL DISTRICT
PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA**

Annual Financial Statements

June 30, 2023



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Independent Auditor's Report

Mr. John W. Linder II, District Public Defender
and the Louisiana Public Defender Board
Twenty-Second Judicial District
Public Defender Office
Covington, Louisiana

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Twenty-Second Judicial District Public Defender Office (the Public Defender Office), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Public Defender Office's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Twenty-Second Judicial District Public Defender Office and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Twenty-Second Judicial District Public Defender Office's ability to continue as a going concern for twelve months before the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we also:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Twenty-Second Public Defender Office's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Twenty-Second Judicial District Public Defender Office's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of revenues, expenditures, and changes in fund balance - budget and actual be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management’s discussion and analysis information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Public Defender Office’s basic financial statements. The schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute (R.S.) 24:513 A(3), and the justice system funding schedule are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The schedule of compensation, benefits, and other payments to agency head and the justice system funding schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of compensation, benefits, and other payments to agency head and the justice system funding schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2023, on our consideration of the Twenty-Second Judicial District Public Defender Office’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Public Defender Office’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Twenty-Second Judicial District Public Defender Office’s internal control over financial reporting and compliance.



A Professional Accounting Corporation

Baton Rouge, LA
December 14, 2023

**BASIC FINANCIAL STATEMENTS
GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA
Statement of Net Position
June 30, 2023**

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 970,406
Accounts Receivable	132,114
Probation Fees Receivable - Net of Allowance of \$1,395,873	107,773
Prepaid Expenses	19,837
ROU Asset - Washington Office Lease	20,965
Capital Assets, Net of Accumulated Depreciation	<u>11,812</u>
Total Assets	<u>1,262,907</u>
Liabilities	
Accounts Payable	16,383
Accrued Payroll Liabilities	46,082
Unearned Revenue - Felony Probation Fees	108,667
Noncurrent Liabilities:	
Due within One Year - Lease	10,756
Due in more than One Year - Lease	<u>10,243</u>
Total Liabilities	<u>192,131</u>
Net Position	
Net Investment in Capital Assets	11,812
Unrestricted	<u>1,058,964</u>
Total Net Position	<u><u>\$ 1,070,776</u></u>

The accompanying notes are an integral part of these financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA
Statement of Activities
For the Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Public Defender	\$ 3,307,663	\$ 65,190	\$ 2,209,245	\$ (1,033,228)
General Revenues				
Court Costs, Fees, and Charges				896,713
Shared Revenues				241,306
Interest and Earnings on Investments				3,464
Other Income				9,955
Total General Revenues				<u>1,151,438</u>
Change in Net Position				<u>118,210</u>
Net Position, Beginning of Year				<u>952,566</u>
Net Position, End of Year				<u>\$ 1,070,776</u>

The accompanying notes are an integral part of these financial statements.

**BASIC FINANCIAL STATEMENTS
FUND FINANCIAL STATEMENTS
GOVERNMENTAL FUNDS**

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA
Balance Sheet
Governmental Funds
June 30, 2023**

	General Fund	Special Revenue Fund	Total Governmental Funds
Assets			
Cash and Cash Equivalents	\$ 970,406	\$ -	\$ 970,406
Accounts Receivable	132,114	-	132,114
Probation Fees Receivable - Net of Allowance of \$1,395,873	107,773	-	107,773
Prepaid Expenses	19,837		19,837
Total Assets	\$ 1,230,130	\$ -	\$ 1,230,130
Liabilities			
Accounts Payable	\$ 16,383	\$ -	\$ 16,383
Accrued Payroll Liabilities	46,082	-	46,082
Unearned Revenue - Felony Probation Fees	108,667	-	108,667
Total Liabilities	171,132	-	171,132
Fund Balance			
Unassigned	1,058,998	-	1,058,998
Total Fund Balance	1,058,998	-	1,058,998
Total Liabilities and Fund Balance	\$ 1,230,130	\$ -	\$ 1,230,130

**Reconciliation of the governmental fund balance sheet to the
statement of net position**

Total Fund Balance	\$ 1,058,998
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	11,812
Other Long-term assets that are not available to pay for current period expenditures and, therefore are either deferred or not reported in the fund.	20,965
Long-term liabilities that are not due and payable in the current period and, therefore, are not reported in the fund:	
Lease	(20,999)
Net Position of Governmental Activities	\$ 1,070,776

The accompanying notes are an integral part of these financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA
Statement of Revenues, Expenditures, and Changes
in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023**

	General Fund	Special Revenue Fund	Total Governmental Funds
Revenues			
Court Costs, Fees, and Charges	\$ 896,713	\$ -	\$ 896,713
Shared Revenues	241,306	-	241,306
Intake Fees	65,190	-	65,190
Grants and Awards			
State of Louisiana	-	2,072,662	2,072,662
Judicial District Court	136,583	-	136,583
Interest Income	3,464	-	3,464
Miscellaneous Income	9,955	-	9,955
Total Revenues	1,353,211	2,072,662	3,425,873
Expenditures			
Salaries, Wages, and Fringes	702,521	2,025,562	2,728,083
Contract Attorney Fees and Costs	369,853	47,100	416,953
Telephone and Utilities	33,558	-	33,558
Insurance	40,973	-	40,973
Continuing Education	3,401	-	3,401
Accounting and Audit	21,749	-	21,749
Other Operating Expenses	29,203	-	29,203
Office Supplies and Expenses	11,905	-	11,905
Law Library	6,859	-	6,859
Travel	3,514	-	3,514
Capital Outlays	32,645	-	32,645
Debt Service - Principal	11,121	-	11,121
Debt Service - Interest	279	-	279
Total Expenditures	1,267,581	2,072,662	3,340,243
Excess of Revenues over Expenditures	85,630	-	85,630
Other Financing Sources (Uses)			
Lease Proceeds	21,876	-	21,876
Net Change in Fund Balance	107,506	-	107,506
Fund Balances, Beginning of Year	951,492	-	951,492
Fund Balances, End of Year	\$ 1,058,998	\$ -	\$ 1,058,998

The accompanying notes are an integral part of these financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$	85,630
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		9,091
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Other long-term assets are not recorded on the fund:		
Right-of-Use Asset Acquired		21,876
Amortization of Right-of-Use Asset		(9,508)

Payments of long-term liabilities uses current resources of governmental funds, but paying debt decreases long-term liabilities in the Statement of Net Position		
Principal paid on Lease		11,121

Change in Net Position of Governmental Activities	\$	<u>118,210</u>
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The accompanying notes are an integral part of these financial statements.

TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE COVINGTON, LOUISIANA

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The Twenty-Second Judicial District Public Defender Office (the Public Defender Office) operates under Act 307 implemented August 15, 2007. The Public Defender Office provides counsel to represent indigent (needy) individuals in criminal cases at the district level. The Public Defender Office encompasses the Parishes of Washington and St. Tammany, which are located in the State of Louisiana.

The Public Defender Office is composed of a District Public Defender who works under the supervision of the Louisiana Public Defender Office. A State of Louisiana Public Defender Board governs the Louisiana Public Defender Office.

Revenues to finance the Public Defender Office's operations are provided primarily from court costs or fines imposed by the various courts within the district and from state revenues received through either annual distributions or targeted program funding from the Louisiana Public Defender Office.

Basis of Presentation

The accompanying basic financial statements of the Twenty-Second Judicial District Public Defender Office have been presented in conformity with governmental accounting standards generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*.

Government-Wide Financial Statements (GWFS)

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Public Defender Office. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

Fund Financial Statements (FFS)

The Public Defender Office uses funds to maintain its financial records during the year. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The funds of the Public Defender Office are classified as governmental. The emphasis on fund financial statements is on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or the total assets, liabilities, revenues, or expenditures of the individual governmental fund is at least 10 percent of the corresponding total for all governmental funds.

The Public Defender Office uses two funds to report the Public Defender Office's financial position and the results of operations. The General Fund reports all transactions of the Public Defender Office other than those funds to be used for a purpose specified by law or agreement. A Special Revenue Fund (grant fund) reports all transactions for grant money.

Reporting Entity

For financial statement reporting purposes, the Public Defender Office is a part of the district court system of the State of Louisiana. However, the state statutes that created the Public Defender Office also gave it control over all of its operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for deficits, and the receipt and disbursement of funds. The Public Defender Office is financially independent and operates independently from the district court system. These financial statements include only the transactions of the Public Defender Office.

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

The amounts reflected in the governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the government-wide financial statements.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined, and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Public Defender Office considers all revenues available if they are collected within 60 days after the fiscal year-end. Expenditures are recorded when the related fund liability is incurred. The General Fund uses the following practices in recording revenues and expenditures:

Revenues - Court costs or fines and forfeitures imposed by the district and city courts are recorded in the year they are collected by the contributing agencies. Fees from indigents are recorded when received. Interest income is accrued when earned. All other revenues and grants are recorded when earned.

Expenditures - Expenses, other than payroll, are generally recognized when incurred. Payroll liabilities are recognized when the related liability is incurred. Operating and non-operating liabilities are recorded when significant or material.

Budget Policies

The Public Defender Office is required by law to adopt an annual budget. The Public Defender Office adopted and prepared a budget for the Governmental Funds on the modified accrual basis of accounting for the year ended June 30, 2023. This budget is presented with these financial statements in the required supplementary information section of the report on page 21.

This budget was integrated into the accounting records and employed as a management control device. Budget and actual financial performance are presented to the Louisiana Public Defender Board on an annual and monthly basis for corresponding balance sheet and income/expense performances. The Public Defender Office does not use encumbrance accounting and appropriations lapse at the end of each year.

Cash and Cash Equivalents and Investments

Cash includes amounts in interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the Public Defender Office may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Probation Fees Receivable

Receivables for probation fees are fees imposed by the courts as a condition of probation and are reported net of uncollectible amounts. Traditionally, collection of these fees is highly questionable. Accordingly, the amounts considered to be collectible are recorded as unearned revenue.

Grants

The Public Defender Office's major grants are reported as special revenue in a Special Revenue Fund. These two grants are from the Louisiana Public Defender Office's District Assistance Fund and CINC Representation Fund.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Compensated Absences

The Public Defender Office's employees earn varying amounts of vacation and sick leave each year. Employees can carry over unused sick leave remaining at the end of the year. Employees are allowed to carry over only one week of unused vacation leave at the end of the year. Any remaining balance is forfeited.

Effective January 1, 2019, employees may not be compensated for any unused vacation leave at the termination of their employment.

Capital Assets

All fixed assets of the Public Defender Office are recorded at historical cost. Depreciation of all exhaustible fixed assets is charged as an expense against its operations.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable. The Public Defender Office capitalizes equipment and furniture in excess of \$500. The following estimated useful lives and methods are used to compute depreciation:

Furniture, Fixtures, and Equipment	7 - 10 Years	Straight-Line
Computers	5 - 10 Years	Straight-Line

Depreciation expense amounted to \$1,678 for the year ended June 30, 2023.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Equity Classifications

Government-wide net position is divided into three components:

1. *Net Investment in Capital Assets* - Consists of the historical cost of capital assets, including any restricted capital assets, net of accumulated depreciation.
2. *Restricted* - Consists of assets that have constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
3. *Unrestricted* - All other net position is reported in this category.

In the governmental fund financial statements, fund balances are classified as follows:

1. *Restricted Fund Balance* - Consists of amounts that can be spent only for specific purposes because of state or federal laws or externally imposed conditions by grantors, creditors, or citizens.
2. *Unassigned Fund Balance* - Consists of all amounts not included in other spendable classifications.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the Public Defender Office's policy is to apply restricted net position first.

Adoption of New Accounting Standard

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. The adoption of the Statement did not have an effect on the Public Defender Office's financial statements for the year ending June 30, 2023.

New Upcoming Accounting Pronouncements

The GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The primary objective of the Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections. Management is still evaluating the potential impact of adoption on the Public Defender Office's financial statements. The Statement is effective for fiscal years beginning after June 15, 2023.

The GASB issued Statement No. 101, *Compensated Absences*. The Statement updated the recognition and measurement guidance for compensated absences. Management is still evaluating the potential impact of adoption on the Public Defender Office's financial statements. The statement is effective for fiscal years beginning after December 15, 2023.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA**

Notes to Financial Statements

Note 2. Cash and Cash Equivalents

The following is a summary of cash and cash equivalents balances (book balances) at June 30, 2023:

Demand Deposits	<u>\$ 970,406</u>
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These deposits are stated at cost, which approximates market.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Public Defender Office's deposits may not be recovered. The Public Defender Office does not have a deposit policy for custodial credit risk. As of June 30, 2023, \$746,945 of the Public Defender Office's bank balance was exposed to custodial credit risk. However, these deposits were secured from risk by the pledge of securities owned by the fiscal agent bank.

Note 3. Capital Assets

The Public Defender Office's capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Furniture, Fixtures, and Equipment	\$ 31,337	\$ 10,769	\$ -	\$ 42,106
Less: Accumulated Depreciation	(28,616)	(1,678)	-	(30,294)
Net Capital Assets	<u>\$ 2,721</u>	<u>\$ 9,091</u>	<u>\$ -</u>	<u>\$ 11,812</u>

Note 4. Concentrations

The majority of revenue earned by the Public Defender Office comes from the Parish of St. Tammany and the City of Slidell, Louisiana, in the form of court costs.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA**

Notes to Financial Statements

Note 5. Lease

In June 2023, the Public Defender Office renewed a lease in Washington Parish for office space with monthly payments of \$950 which expires in April 2025. The Public Defender Office recognizes a lease liability and an intangible right-to-use asset in the government-wide financial statements.

At the commencement of a lease, the Public Defender Office initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently the lease asset is amortized on a straight-line basis over its useful life. At June 30, 2023, the lease liability is \$20,999 and the Right-of-use asset is \$20,965. Amortization expense for the year ended June 30, 2023 was \$9,508. The lease liability was measured using the Public Defender Office's incremental borrowing rate. The office lease includes a two year renewal provision when the lease ends on April 30, 2025. The Public Defender Office does not intend on renewing the lease. Future lease payments are as follows:

Year Ending December 31,	Principal	Interest
2024	\$ 10,756	\$ 644
2025	10,243	206
Total	\$ 20,999	\$ 850

Note 6. Risk Management

The Public Defender Office is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Public Defender Office has obtained general liability insurance as well as professional liability insurance for its staff.

Note 7. Retirement Plan

The Public Defender Office established an Employee Savings Plan and Trust (the Plan) on April 28, 2017 with an effective implementation date of July 1, 2017. The Plan was established in accordance with Internal Revenue Code (IRC) 457(b). Plans established under IRC 457(b) are eligible plans and are available to certain state and local governments. The plan assets are held in a Trust.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA**

Notes to Financial Statements

Note 7. Retirement Plan (Continued)

The 457(b) plan has many tax advantages, including one similar to a 401(k) plan which allows employees of the Public Defender Office who are participants to defer income taxation on retirement savings on both employee contributions and employer contributions, as well as earnings on these contributions, into future years.

The Plan has an accounting year of July 1st through June 30th. The Public Defender Office has agreed to match contributions made by the employee as follows:

- Matching contributions will be made for the fiscal year, in amounts equal to 100% up to 3% of compensation deferred by the participant.

The Public Defender Office's matching contribution expense for the year ended June 30, 2023 was \$42,075.

Note 8. Governmental Fund Revenues and Expenditures

For the year ended June 30, 2023, the major sources of governmental fund revenues were as follows:

Governmental Fund Revenues

State Government

Grants \$ 2,072,662

Local Government

Grants 136,583
Statutory Fines, Forfeitures, Fees, Court Costs, and Other 896,713
Other 241,306

Total 3,347,264

Charges for Services 65,190

Other Financing Sources - Lease Proceeds 21,876

Investment Income 3,464

Miscellaneous Income 9,955

Total Revenues \$ 3,447,749

TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA

Notes to Financial Statements

Note 8. Governmental Fund Revenues and Expenditures (Continued)

For the year ended June 30, 2023, the major sources of governmental fund expenditures were as follows:

Governmental Fund Expenditures

Personnel Services and Benefits

Salaries	\$ 2,272,901
Insurance	284,641
Payroll Taxes	<u>170,541</u>
Total	<u>2,728,083</u>

Professional Development

Dues, Licenses, and Registrations	3,401
Travel	<u>3,514</u>
Total	<u>6,915</u>

Charges for Services

Contract Attorney Fees and Costs	416,953
Insurance	40,973
Telephone and Utilities	33,558
Other	29,203
Supplies	6,859
Lease - Office	11,905
Library and Research	-
Contract Services - Other	<u>21,749</u>
Total	<u>561,200</u>

Capital Outlay

	<u>44,045</u>
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Total Expenditures	<u><u>\$ 3,340,243</u></u>
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REQUIRED SUPPLEMENTARY INFORMATION

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA
Schedule of Revenues, Expenditures, and Changes
in Fund Balance - Budget and Actual - Governmental Funds
For the Year Ended June 30, 2023**

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Court Costs, Fees, and Charges	\$ 788,000	\$ 788,000	\$ 896,713	\$ 108,713
Shared Revenues	335,000	335,000	241,306	(93,694)
Intake Fees	51,000	51,000	65,190	14,190
Grants and Awards				
State of Louisiana	1,778,215	1,778,215	2,072,662	294,447
Judicial District Court	128,000	128,000	136,583	8,583
Interest Income	1,000	1,000	3,464	2,464
Miscellaneous Income	-	-	9,955	9,955
Total Revenues	3,081,215	3,081,215	3,425,873	344,658
Expenditures				
Salaries, Wages, and Fringes	2,969,946	2,969,946	2,728,083	241,863
Contract Attorney Fees and Costs	380,000	380,000	416,953	(36,953)
Telephone and Utilities	40,000	40,000	33,558	6,442
Insurance	31,600	31,600	40,973	(9,373)
Continuing Education	20,000	20,000	3,401	16,599
Accounting and Audit	18,000	18,000	21,749	(3,749)
Other Operating Expenses	9,750	9,750	29,203	(19,453)
Office Supplies and Expenses	9,000	9,000	11,905	(2,905)
Law Library	10,000	10,000	6,859	3,141
Travel	2,500	2,500	3,514	(1,014)
Rent	7,500	7,500	-	7,500
Capital Outlays	3,000	3,000	32,645	(29,645)
Debt Service - Principal	10,935	10,935	11,121	(186)
Debt Service - Interest	465	465	279	186
Total Expenditures	3,512,696	3,512,696	3,340,243	172,453
Excess of Revenues over Expenditures	(431,481)	(431,481)	85,630	-
Other Financing Sources (Uses)				
Lease Proceeds	-	-	21,876	21,876
Net Change in Fund Balance	\$ (431,481)	\$ (431,481)	107,506	\$ 538,987
Fund Balance, Beginning of Year			951,492	
Fund Balance, End of Year			\$ 1,058,998	

See independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
 COVINGTON, LOUISIANA
 Schedule of Compensation, Benefits, and Other Payments
 to Agency Head
 For the Year Ended June 30, 2023**

Agency Head
 John W. Lindner II, District Public Defender

Purpose	Amount
Salary	\$111,738
Benefits - Insurance	\$8,702
Benefits - Retirement	\$0
Benefits - Dues	\$270
Car Allowance	\$0
Vehicle Provided by Government	\$0
Per Diem	\$0
Reimbursements	\$0
Travel	\$0
Registration Fees	\$204
Conference Travel	\$0
Continuing Professional Education Fees	\$0
Housing	\$0
Unvouchered Expenses	\$0
Special Meals	\$0

See independent auditor's report.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA (LLA Entity# 1628)
Justice System Funding Schedule - Receiving Entity
As Required by Act 87 of the 2020 Regular Legislative Session
General Fund - Cash Basis
For the Six-Month Periods Ended December 31, 2022 and June 30, 2023**

	First Six- Month Period Ended 12/31/2022	Second Six- Month Period Ended 6/30/2023
Receipts from:		
St. Tammany Parish, Probation Fees (Louisiana Fee Collection)	\$ 30,301	\$ 59,973
Washington Parish, Probation Fees (Louisiana Fee Collection)	5,350	8,304
Washington Parish Sheriff, Probation Fees	768	246
St. Tammany Parish Sheriff, Bond Fees	60,005	73,750
Washington Parish Sheriff, Bond Fees	34,707	24,865
22nd JDC District Attorney, Bond Fees	5,564	2,610
Slidell City Court, Bond Fees	9,730	272
St. Tammany Parish Sheriff, Criminal Court Costs	279,558	237,656
Washington Parish Sheriff, Criminal Court Costs	6,021	3,921
Covington City Court, Criminal Court Costs	6,390	12,915
Mandeville City Court, Criminal Court Costs	26,235	26,538
Bogalusa City Court, Criminal Court Costs	8,571	15,724
Slidell City Court, Criminal Court Costs	10,758	4,140
Subtotal Receipts	\$ 483,958	\$ 470,914
Ending Balance of Amounts Assessed but not Received	\$ -	\$ -

See independent auditor's report.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

Mr. John W. Linder II, District Public Defender
and the Louisiana Public Defender Board
Twenty-Second Judicial District
Public Defender Office
Covington, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Twenty-Second Judicial District Public Defender Office (the Public Defender Office), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Twenty-Second Judicial District Public Defender Office's basic financial statements, and have issued our report thereon dated December 14, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Twenty-Second Judicial District Public Defender Office's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Public Defender Office's internal control. Accordingly, we do not express an opinion on the effectiveness of the Public Defender Office's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Public Defender Office's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Public Defender Office's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Public Defender Office's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



A Professional Accounting Corporation

Baton Rouge, LA
December 14, 2023

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA
Schedule of Findings and Responses
For the Year Ended June 30, 2023**

Part I - Summary of Auditor's Results

Financial Statements

- | | |
|--|---------------|
| 1. Type of auditor's report issued: | Unmodified |
| 2. Internal control over financial reporting and compliance and other matters: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified? | None Reported |
| c. Noncompliance material to the financial statements identified? | No |
| d. Other matters identified? | No |
| 3. Management letter comment provided? | None |

Federal Awards

Not applicable.

Part II - Findings Related to the Financial Statements

None.

Part III - Compliance and Other Matters

Compliance

None.

Other

None.

**TWENTY-SECOND JUDICIAL DISTRICT PUBLIC DEFENDER OFFICE
COVINGTON, LOUISIANA
Schedule of Prior Year Findings
For the Year Ended June 30, 2023**

None

AGREED-UPON PROCEDURES REPORT

Twenty-Second Judicial District Public Defender Office

Independent Accountant's Report On Applying Agreed-Upon Procedures

For the Period July 1, 2022 - June 30, 2023

Mr. John Lindner, II, District Public Defender
Twenty-Second Judicial District
Public Defender Office
Covington, Louisiana
and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the Twenty-Second Judicial District Public Defender Office control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal year July 1, 2022 through June 30, 2023. The Office's management is responsible for those C/C areas identified in the SAUPs.

The Office has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in the LLA's SAUPs for the fiscal year July 1, 2022 through June 30, 2023. Additionally, the LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and results are as follows:

1) *Written Policies and Procedures*

- A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

- ii. **Purchasing**, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.
- iii. **Disbursements**, including processing, reviewing, and approving.
- iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
- v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.
- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results: No exceptions identified as a result of the procedures performed.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.
 - iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Results: No exceptions identified as a result of the procedures performed.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results: We noted that there is no evidence of review on the bank reconciliation. We noted no other exceptions in the performance of these procedures.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
 - i. Employees responsible for cash collections do not share cash drawers/registers;
 - ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;
 - iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and
 - iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.
- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe that the bond or insurance policy for theft was in force during the fiscal period.
- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternatively, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - i. Observe that receipts are sequentially pre-numbered.
 - ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
 - iii. Trace the deposit slip total to the actual deposit per the bank statement.
 - iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

- v. Trace the actual deposit per the bank statement to the general ledger.

Results: We noted that the Public Defender Office does not have a theft/dishonesty insurance policy. Also, we noted that the documentation of collections does not indicate date received. We noted no other exceptions identified as a result of the procedures performed.

5) Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;
 - ii. At least two employees are involved in processing and approving payments to vendors;
 - iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;
 - iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and
 - v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

[Note: Findings related to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates that deliverables included on the invoice were received by the entity; and
 - ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.

Results: We noted that the procedure related to non-payroll electronic disbursements is not applicable. We noted that the person who processes disbursements also adds new vendors and mails disbursements after signature. We noted no further exceptions in the performance of these procedures.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and
 - ii. Observe that finance charges and late fees were not assessed on the selected statements.
- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

Results: No exceptions noted.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);
 - ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;
 - iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and
 - iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results: No exceptions identified as a result of the procedures performed.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and
- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;
 - ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);
 - iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and
 - iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

Results: No exceptions identified as a result of the procedures performed.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and
 - i. Observe that all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);
 - ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;
 - iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and
 - iv. Observe whether the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.
- C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.
- D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results: We noted documentation of approved pay rate was not available for two out of five employees tested. We noted no further exceptions in the performance of these procedures.

10) Ethics

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and
 - i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and
 - ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

- B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Results: We noted one out of five employees did not take the required ethics training. We noted no further exceptions in the performance of these procedures.

11) Debt Service

- A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.
- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results: We noted that these procedures are not applicable as the Public Defender Office does not have debt.

12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the Legislative Auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.
- B. Observe that the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results: No exceptions identified as a result of the procedures performed.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management"**.
- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
 - iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.
- B. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

Results: No exceptions identified as a result of the procedures performed.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe that the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.
- B. Observe that the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).
- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1st, and observe that the report includes the applicable requirements of R.S. 42:344:
- i. Number and percentage of public servants in the agency who have completed the training requirements;
 - ii. Number of sexual harassment complaints received by the agency;
 - iii. Number of complaints which resulted in a finding that sexual harassment occurred;
 - iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
 - v. Amount of time it took to resolve each complaint.

Results: We noted that one of five employees did not take the required training. We noted no further exceptions in the performance of these procedures.

We were engaged by the Public Defender Office to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the Public Defender Office and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing on those C/C areas identified in Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

A handwritten signature in cursive script that reads "LaPorte".

A Professional Accounting Corporation

Baton Rouge, LA
December 14, 2023

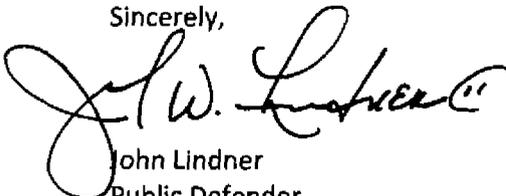
Mr. Michael J. Waguespack
Louisiana Legislative Auditor
1600 N 3rd St.
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Statewide Agreed-upon Procedures

The management of the 22nd Judicial District Public Defender wishes to provide the following responses relative to the results of the 2023 statewide agreed-upon procedures engagement:

1. Bank Reconciliations – The Public Defender Office will institute a procedure for review and signing bank reconciliations.
2. Collections – The Public Defender Office will begin documenting date of receipt on collections and will purchase a dishonesty insurance policy.
3. Non-Payroll Disbursements – The Public Defender Office will institute procedures to segregate the duties of adding vendors to accounting system and the mailing of signed checks.
4. Payroll and Personnel – The Public Defender Office will ensure that approved pay rate is documented for all employees.
5. Ethics and Prevention of Sexual Harassment – The Public Defender Office will ensure that all employees take the required training.

Sincerely,



John Lindner
Public Defender