

Plaquemines Parish Government

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Kirk M. Lepine

Randy A Duke
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Chief Internal Auditor

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Council Members

District 1 - John L Barthelemy Jr.
District 2 - William "Beau" Black
District 3 - Corey Arbourgh
District 4 - Dr. Stuart J Guey Jr.
District 5 - Benedict "Benny" Rousselle
District 6 - Trudy Newberry
District 7 - Carlton M LaFrance Sr.
District 8 - Richie Blink
District 9 - Mark "Hobbo" Cognevich

MEMORANDUM

To: Council Member Mr. Benedict "Benny" Rousselle
Chair - Audit Committee

Date: April 13, 2022

Council Member Ms. Trudy Newberry
Vice Chair - Audit Committee Member

Council Member Mr. Mark "Hobbo" Cognevich
Audit Committee Member

From: Randy A. Duke, CPA, CIA, CIGA
Chief Internal Auditor

Re: Internal Audit of Plaquemines Parish Government's ("PPG")
Contracts, Agreements, and Leases Project No. 2022-02

Attached is the internal auditor's examination of the PPG contracts, agreements, and leases. This internal audit details the objectives, scope, methodology, and provides the internal auditor's observations, recommendations, and conclusions.

Acknowledgements: I would like to express my appreciation to Mr. Buras, Parish Attorney, Mr. Dugas, Parish Engineer, Ms. Augustus, Sales Tax Manager and Ms. Parks, Human Resources for their due diligence, professional manner, and prompt assistance during this internal audit.

cc: Mr. Lepine, President, Plaquemines Parish Government.
Mr. Buras, Parish Attorney.
Mr. Dugas, Parish Engineer.
Ms. Augustus, Sales Tax Manager.
Ms. Parks, Human Resources.
Mr. Serpas, CPA, Finance Manager.

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INTERNAL AUDIT PPG CONTRACTS, AGREEMENTS, AND LEASES PROJECT NO. 2022-02

**RANDY A. DUKE, CPA, CIA, CIGA
CHIEF INTERNAL AUDITOR
INTERNAL AUDIT DEPARTMENT**

**PLAQUEMINES PARISH GOVERNMENT
CONTRACTS, AGREEMENTS, AND LEASES
GLOSSARY**

INTERNAL AUDITOR - PLAQUEMINES PARISH INTERNAL AUDITOR

LLA - LOUISIANA LEGISLATIVE AUDITOR

CEA - COOPERATIVE ENDEAVOR AGREEMENT

PUBLIC BID LAW - LOUISIANA PUBLIC BID LAW

COSO - COMMITTEE OF SPONSORING ORGANIZATIONS

HR - HUMAN RESOURCES

WIP - WORK IN PROGRESS

**INTERNAL AUDIT
PPG CONTRACTS, AGREEMENTS
AND LEASES
PROJECT NO. 2022-02**

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EXECUTIVE SUMMARY

This executive summary represents the results of our internal audit of the PPG contracts, agreements, and leases.

OBJECTIVES

1. To determine compliance with policies, rules, and regulations;
2. To determine the integrity and accuracy of financial information;
3. To determine that assets are safeguarded;
4. To evaluate the efficiency and effectiveness PPG's contract and agreement processes;
5. To evaluate the possibility and risk of fraud, waste, and abuse; and
6. To recommend internal controls to add value and improve operations.

COSO - CONTROL ENVIRONMENT

- ✚ Good internal control environment starts with the **TONE** at the top of the organization. Control Environment is the set of standards, processes, and structures that provide the basis for carrying out internal control across the organization. The board of directors and senior management establish the tone at the top regarding the importance of internal control including expected standards of conduct.
- ✚ An inadequate control environment increases the risk of fraud, waste, and abuse. PPG needs to pay close attention to their control environment and ensure that good controls are in place and are working properly. PPG's top-level management (the tone at the top concerning internal controls) should ensure that PPG's control environment is an important management priority.
- ✚ A good effective control environment will help PPG reach its goals and objectives.
- ✚ Top-level management's buy-in concerning the importance of internal controls will

help PPG in the following areas:

1. Efficiency and effectiveness of operations;
2. Safeguarding assets;
3. Integrity and accuracy of financial information; and
4. Compliance with contracts, rules, and regulations.

INTERNAL AUDIT CONCLUSIONS

During this internal audit, I concluded the following:

- ✓ In my opinion, all contracts and agreements should be reviewed by the Parish Council.
- ✓ The Parish Council should sign and date the agreement indicating that the Parish Council reviewed the document before it was executed.
- ✓ In my opinion, to help ensure that contracts and agreements are Arms-Length transactions, Contracts and agreements should be bid in accordance with the LLA best practice that states “Although the Louisiana Public Bid Law does not require services to be bid, a competitive atmosphere ensures that fees paid for services are cost-effective. Therefore, management is to use the dollar thresholds contained in the Public Bid Law [R.S 38:2211-2226] as a guide in contracting for services. At least three telephone or facsimile quotations are to be obtained for services costing between \$10,000 and \$30,000, and bids should be solicited/obtained for the purchase of services exceeding \$30,000. Any exception to this policy must be approved by the Parish Council in an open meeting.”
- ✓ Parish Ordinance 01-161 should be followed, if appropriate.
- ✓ Parish Ordinance No. 08-170 should be followed, if appropriate.
- ✓ Louisiana Revised Statute RS 39:1621 should be followed, if appropriate.
- ✓ The Legal Department should ensure that their Legal review takes place before the contract or agreement is executed by signing and dating the agreement (the Legal Stamp and Initial of responsible person) before the agreement is executed.
- ✓ The following internal audit Observations, # 1-5, if implemented by management, can improve the internal controls over contracts and agreements.

OBSERVATIONS

Observation # 1 - Revenue Recovery Group, Inc.

Background / Condition: The agreement was entered into on the 17th day of May, 2021. The term of the agreement is effective upon execution until terminated by either party by giving thirty (30) days written notice or upon 2 years after its effective date. By mutual consent of both parties, this agreement may be extended for two (2) additional two (2) year terms.

This agreement can be automatically renewed without approval from the Parish Council.

This agreement was for Auditing Services.

The auditor found no evidence of compliance with **Parish Ordinance NO.'s 08-170**. Adopted in July 2008, that states “An Ordinance authorizing and directing the Parish President to furnish copies of all scope of services regarding **professional service contracts** prior to execution to each Council Member.” **Attachment B**.

Sales Tax Office States: “Once an audit is complete, a final report of the audit findings is sent to the Sales Tax office. The Revenue Recovery Group was doing contract audit work for PPG before I started here in 1995. **I’m not sure if it went out for bid at that time.** The contract is renewed every two years by the Administration.”

To help ensure that agreements are Arms-Length transactions – The LLA Best Practice states “Although the Louisiana Public Bid Law does not require services to be bid, a competitive atmosphere ensures that fees paid for services are cost-effective. Therefore, management is to use the dollar thresholds contained in the Public Bid Law [R.S 38:2211-2226] as a guide in contracting for services. At least three telephone or facsimile quotations are to be obtained for services costing between \$10,000 and \$30,000, and bids should be solicited/obtained for the purchase of services exceeding \$30,000. Any exception to this policy must be approved by the Parish Council in an open meeting.”

Sales Tax Office States: Audits assigned to Revenue Recovery Group are monitored via a client **WIP report**. This report provides the status of all audits in progress.

It doesn’t appear that the Legal Department signed and dated the agreement indicating that they reviewed the agreement before the agreement was executed.

Recommendations:

- ✚ Agreements should not be automatically renewed without the approval of the Parish Council.
- ✚ **To help ensure that agreements are Arms-Length transactions** – The LLA Best Practice states “Although the Louisiana Public Bid Law does not require services to be bid, a competitive atmosphere ensures that fees paid for services are cost-effective. Therefore, management is to use the dollar thresholds contained in the Public Bid Law [R.S 38:2211-2226] as a guide in contracting for services. At least three telephone or facsimile quotations are to be obtained for services costing between \$10,000 and \$30,000, and bids should be solicited/obtained for the purchase of services exceeding \$30,000. Any exception to this policy must be approved by the Parish Council in an open meeting.” **The Best Practice should be followed.**

✚ **Parish Ordinance NO. 08-170**, adopted in July 2008, authorizing, and directing the Parish President to furnish copies of all scope of services regarding **professional service contracts** prior to execution to each Council Member.” **This Parish Ordinance should be followed. Attachment B.**

✚ The Parish Council should sign and date the agreement indicating compliance with **Parish Ordinance NO. 08-170**.

✚ The **WIP progress reports** should be sent to the Parish Council for reviewed and approval.

✚ The auditor would recommend that the Legal Department sign and date the agreement indicating that his review took place before the agreement was executed.

Responsibility for Action: Mr. Lepine, Parish President, Ms. Augustus, Sales Tax Manager, and Mr. Buras, Parish Attorney.

Management Response: No response.

Observation # 2 - The Coastal Protection and Restoration Authority

Background / Condition: The Intergovernmental Agreement was entered into on June 25, 2019 between the State of Louisiana through the Coastal Protection and Restoration Authority and Plaquemines Parish Government. The agreement has a term of three (3) years beginning on June 25, 2019 and ending on June 24, 2022.

The objective of the agreement is to set forth the terms, conditions, and responsibilities to be performed by the State and Plaquemines Parish Government in the engineering, design, construction, and operation and maintenance of the **Belle Chasse Walker Road Boat Launch** approved funding by the LA TIG in the Final RP/EX \$ 4.

The auditor noted that the agreement was executed and dated by all parties on August 19, 2019 and on October 14, 2019.

The Auditor did not find evidence that the Legal Department signed and dated the agreement indicating that the Legal Department reviewed the document before it was executed.

The witnesses for both parties signed the document. The auditor noted that there are contract monitoring controls in place (a Monthly Monitoring Report).

Recommendations:

✚ The auditor recommends that the Legal Department sign and date the agreement indicating that his review took place before the agreement was executed.

Responsibility for Action: Mr. Lepine, Parish President, Ms. Hilda Lott, Grants Administrator and Mr. Buras, Parish Attorney.

Management Response: No response.

Observation # 3 - Sigma Consulting Corp.

Background / Condition: The agreement was entered into on January 11th, 2022 between Plaquemines Parish Government (Client) and Sigma Consulting Corp (Consultant). The Client retains the Consultant for employee benefits consulting services, actuarial services, building replacement cost valuation services, Stafford Act Insurance Commission’s Certification (ICC) Application, Vendor Request for Proposal (RFP) Administration and Selection Services.

The term of the contract for professional services is from February 1, 2022 and ending on January 31, 2023. The parties may, renew this contract for two (2) successive one (1) year terms.

This agreement can be automatically renewed without approval from the Parish Council.

The auditor noted that the agreement was executed on January 11, 2022 and on January 12, 2022. The agreement was signed and dated by the parties and dated and initialed by the Parish Attorney on December 29, 2021.

To help ensure that agreements are Arms-Length transactions - The LLA Best Practice states “Although the Louisiana Public Bid Law does not require services to be bid, a competitive atmosphere ensures that fees paid for services are cost-effective. Therefore, management is to use the dollar thresholds contained in the Public Bid Law [R.S 38:2211-2226] as a guide in contracting for services. At least three telephone or facsimile quotations are to be obtained for services costing between \$10,000 and \$30,000, and bids should be solicited/obtained for the purchase of services exceeding \$30,000. Any exception to this policy must be approved by the Parish Council in an open meeting.”

Parish Ordinance NO. 08-170, adopted in July 2008, authorizing, and directing the Parish President to furnish copies of all scope of services regarding professional service contracts prior to execution to each Council Member.” **Attachment B.**

The auditor did not find evidence that **Parish Ordinance No. 08-170** was complied with.

The auditor did not find evidence of a monitoring deliverable checklist in place.

Recommendations:

- ✚ Agreements should not be automatically renewed without the approval of the Parish Council.
- ✚ **Parish Ordinance NO. 08-170** should be complied with.
- ✚ The Parish Council should sign and date the agreement indicating compliance with **Ordinance NO. 08-170**.
- ✚ A deliverable checklist should be in place and attached to the agreement indicating that deliverables are being monitored and received in compliance with the agreement.

Responsibility for Action: Mr. Lepine, Parish President, Ms. Parks, Human Resources, and the Mr. Buras, Parish Attorney.

Management Response: The HR department is in constant contact with SIGMA regarding our Liability policies, as PPG has several policies and bonds that become effective throughout the fiscal year. Building valuations are requested on an “at need” basis on new and newly renovated building in order to validate the true value of said buildings as to not misrepresent our total insurable value(s).

Observation # 4 - M.R. Pittman Group, LLC

Background / Condition: The agreement was entered into on the 10th day of January 2019 between Plaquemines Parish Government and M.R. Pittman Group, LLC. The Project Name is Scarsdale Drainage Pump Station – Hazard Mitigation. The Funding Sources is PW 1145 / Ordinance NOs 12-13, 14-10, 18-60, 18-108, 18-16.

This Contractor submitted a written proposal to the Parish dated October 16, 2018.

It was noted during the review of this Public Works agreement that the authorizing signatures and the Legal Departments signature and stamp were not dated.

Recommendations:

- ✚ The Legal Departments signature and stamp should be dated.

Responsibility for Action: Parish President, Parish Attorney

Management Response: No response.

Observation # 5 - Linfield Hunter & Junius

Background / Condition: The agreement was entered into on the 15th day of March 2016, between Plaquemines Parish Government and Linfield Hunter and Junius, Inc. The agreement was to provide services for a New Courthouse at Point a la Hache, La. The agreement appears to be an **Architectural /Engineering Service Agreement**. It was noted during the review of this agreement that the authorizing signatures were dated. There appears to be no evidence that this agreement was reviewed by the Legal Department before it was executed. There appears to be no evidence of compliance with the following Parish Ordinances:

Parish Ordinance NO. 01-161 adopted on September 13, 2001, Section 1, does require “the Administration to solicit proposals from three consultant’s, engineering, architectural, or attorney firms prior to employment or submission to the Council for authority to enter into a contract for said services.” **Attachment A.**

Parish Ordinance NO. 08-170, adopted in July 2008, that states “An Ordinance authorizing and directing the Parish President to furnish copies of all scope of services regarding **professional service contracts** prior to execution to each Council Member.” **Attachment B.**

Recommendations:

 Parish Ordinances NO. 01-161 and 08-170 should be followed.

Responsibility for Action: Parish President, Parish Attorney

Management Response: No response.

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INTERNAL AUDIT REPORT

I. Audit Initiation

In accordance with the PPG Charter Section 7.08: Audit Committee and the approved Internal Audit Department's annual audit plan for 2022, I have performed an internal audit of the PPG contracts, agreements, and leases

II. Background

Plaquemines Parish Government's Master List shows a total of four- hundred and forty-one (441) contracts, agreements, and leases.

The breakdown numbers for the PPG Master List of contracts, agreements and leases are shown in [Chart # 1](#) below.

The breakdown numbers, and contract amounts outstanding, and amounts paid to date on the PPG Contracts, Engineering - Consultants, Engineering - Contractors and the Monthly and Yearly Lease amounts on the Copier - Leases are shown in Charts # 2, 3, 4, 5 & 6 below.





III. Audit Planning

1. Developed objectives, scope, timing, and resource allocations;
2. Reviewed PPG’s risks relevant to contracts, agreements, and leases;
3. Reviewed PPG’s policies and procedures;
4. Reviewed rules and regulations associated with contracts, agreements, and leases;
5. Reviewed the Louisiana State Constitution Article 7 § 14;
6. Reviewed the Supreme Court’s Cabela’s Decision on Article VII, §14 and the Attorney General’s Three-Prong Test;
7. Reviewed risks (what can go wrong) associated with contracts, agreements, and leases;
8. Reviewed Louisiana Legislative Auditor’s (LLA) contracts, agreements, and leases best practices;
9. Reviewed the objectives associated with contracts, agreements, and leases and how the process controls its performance; and
10. Reviewed the adequacy and effectiveness of the activity’s governance, risk management, and control processes compared to the COSO framework.

IV. Objectives, Scope and Methodology

Objectives

1. Determine compliance with policies, rules, and regulations;
2. Determine the integrity and accuracy of financial information;
3. Determine that asset are safeguarded;
4. Evaluate the efficiency and effectiveness of the PPG's contracts, agreements, and lease processes;
5. Evaluate the possibility and risk of fraud, waste, and abuse; and
6. Recommend internal controls to add value and improve operations.

Scope

1. There are four- hundred and forty-one (441) PPG contracts, agreements and leases shown in the PPG Master Lists received from the Legal Department. The internal auditor selected a random sample of active from this population to review.
2. Evidence to support our conclusions was gathered from inquiries of management and staff, observations, the review and testing of source documentation and tests of key controls surrounding the contracts, agreements, and leases process.
3. The Internal Auditor considered the possibility of fraud, waste and abuse within the contracts, agreements, and leases process. In addition, the scope of the internal audit included the consideration of systems, records, personnel, physical properties, and other information necessary to achieve the internal audit objectives.

Methodology

1. Obtain a master list or inventory of PPG contracts, agreements, and leases;
2. Select a random sample of contracts, agreements, and leases to review;
3. Verify that related documentation is maintained in an organized manner and in a central location;
4. Verify compliance with PPG policies, rules and regulations for contracts, agreements, and leases;
5. Verify contracts, agreements, and leases for proper approvals;
6. Verify the Parish Council's approval of the contracts, agreements, and leases;
7. Verify compliance with the Louisiana Public Bid Law or Procurement Code;
8. Obtain/compare supporting documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder);

9. Obtain supporting documentation and report whether the entity solicited quotes as a best practice;
10. Verify that an open and competitive atmosphere is provided when contracting for services;
11. Although the Louisiana Public Bid Law does not require services to be bid, a competitive atmosphere ensures that fees paid for services are cost-effective. Therefore, management is to use the dollar thresholds contained in the Public Bid Law [R.S 38:2211-2226] as a guide in contracting for services;
12. At least three telephone or facsimile quotations are to be obtained for services costing between \$10,000 and \$30,000, and bids should be solicited/obtained for the purchase of services exceeding \$30,000. Any exception to this policy must be approved by the council in an open meeting;
13. Contracts with related parties (family and business interests) are strictly prohibited;
14. Payments are made in accordance with the terms and conditions of the contract;
15. Any additions or modifications of existing contracts are presented to the council for approval;
16. Report whether the formal written contract supports the services arrangement and the amount paid;
17. Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment;
18. Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract: and
19. Obtain/review contract documentation and board minutes and report whether there is documentation of council approval.

V. Documents Reviewed

1. PPG Master Lists of contracts, agreements, and leases;
2. Supporting documents;
3. Policies, rules, and regulations;
4. LLA Best Practices;
5. The Supreme Court's Cabela's Decision on Article VII, §14 and the Attorney General's Three-Prong Test;
6. The Louisiana Public Bid Law;
7. The Procurement Code;
8. PPG Purchasing Manual; and
9. The Louisiana State Legislature for Consulting Contracts Louisiana R.S. 39: §1621.

VI. Audit Analysis and Information

From the Plaquemines Parish Government's ¹Master Lists of four- hundred and forty-one (441) contracts, agreements and leases, the internal auditor randomly selected the following six (6) active contracts, or agreements to review:

1. PPG Contract or Agreement Reviewed

	Contractor	Custodian
1	Revenue Recovery Group, Inc.	Sales Tax Manager, Trenese Augustus
2	The Coastal Protection and Restoration Authority	Grants, Hilda Lott
3	Sigma Consulting Corp.	Human Resources, Sue Parks
4	M.R. Pittman Group, LLC	Engineering Department
5	Linfield Hunter & Junius	Engineering Department
6	Perez Architects	Engineering Department

2. Legal Department's Monitoring Controls

Contract Approval Process²

1. Departments send to legal for approval.
2. Legal reviews and approves.
3. Forward to Kirk for signature.
4. Returned to Department to get other parties' signature if it wasn't done prior to Kirk's signature.
5. Executed copy of both parties returned to Dayna in legal.

3. Engineering Department's Monitoring Controls

Policies and Procedures³

The Engineering Department has the following written policy manuals in place.

- PUBLIC WORKS PROTOCOL 2022

¹ The Master Lists of Contracts, Agreements and Leases includes Contracts, Engineering - Consultant, Engineering - Contractors and Copier - Leases received from the Legal Department.

² This information was sent by the Legal Department.

³ This information was provided by the Engineering Department. The auditor can provide documentation upon request.

- PROCUREMENT PROCESS 2022
- PROJECT MANAGEMENT 2020

The Legal Department states, the Engineering department is the custodian for their contracts due to such a high volume and they have an excellent system in place already. We decided to keep it like it was. All other contracts I keep a copy of. The contract from engineering still goes through legal for approval.

In addition, Engineering states the following:

- All the public work’s contracts are sent to Legal for review prior to execution.
- Once our contracts are executed, the contracts are uploaded to LOGOS to obtain a Purchase Order # by requisition. It is then available for the Parish Council and anyone else that has access to LOGOS to view.

4. Louisiana Revised Statute RS 39:1621 states the following:

A. Contracts for consulting services which have a total maximum amount of compensation less than fifty thousand dollars for a twelve-month period may be awarded without the necessity of competitive bidding or competitive negotiation.

B. Contracts for consulting services which have a total maximum amount of compensation of fifty thousand dollars or more for a twelve-month period shall be awarded through a request for proposal process under rules and regulations issued by the office of state procurement. Service requirements shall not be artificially divided to exempt contracts from the request for proposal process.

5. The Louisiana Legislative Auditor states the following:

The LLA Best Practice states “Although the Louisiana Public Bid Law does not require services to be bid, a competitive atmosphere ensures that fees paid for services are cost-effective. Therefore, management is to use the dollar thresholds contained in the Public Bid Law [R.S 38:2211-2226] as a guide in contracting for services. At least three telephone or facsimile quotations are to be obtained for services costing between \$10,000 and \$30,000, and bids should be solicited/obtained for the purchase of services exceeding \$30,000. Any exception to this policy must be approved by the Board/Council in an open meeting.”

6. Review of Revenue Recovery Group, Inc.

The agreement was entered into on the 17th day of May, 2021. The term of the agreement is effective upon execution until terminated by either party by giving thirty (3) days written notice or upon 2 years after its effective date. By mutual consent of both parties, this agreement may be extended for two (2) additional two (2) year terms.

This agreement appears to be for Consulting Auditing Services.

Agreements should not be automatically renewed without the approval of the Parish Council.

The Parish Council should sign and date the agreement indicating that they have reviewed the Agreement before it was executed.

Parish Ordinance NO. 08-170, adopted in July 2008, that states “An Ordinance authorizing and directing the Parish President to furnish copies of all scope of services regarding **professional service contracts** prior to execution to each Council Member.” This Ordinance should be followed. **Attachment B**.

Sales Tax Office States: Audits assigned to Revenue Recovery Group are monitored via a client **WIP report**. This report provides the status of all audits in progress. Once an audit is complete, a final report of the audit findings is sent to the Sales Tax office. The Revenue Recovery Group was doing contract audit work for PPG before I started here in 1995. **I’m not sure if it went out for bid at that time.** The contract is renewed every two years by the Administration.

To help ensure that this agreement is an **Arms – Length Transaction – The LLA Best Practice** states “Although the Louisiana Public Bid Law does not require services to be bid, a competitive atmosphere ensures that fees paid for services are cost-effective. Therefore, management is to use the dollar thresholds contained in the Public Bid Law [R.S 38:2211-2226] as a guide in contracting for services. At least three telephone or facsimile quotations are to be obtained for services costing between \$10,000 and \$30,000, and bids should be solicited/obtained for the purchase of services exceeding \$30,000. Any exception to this policy must be approved by the Board/Council in an open meeting.” This Best Practice should be followed.

The **WIP report** should be sent to the Parish Council for reviewed and approval.

A deliverable checklist is in place in the form of a **WIP report**.

The auditor noted that the agreement was executed by the Parish President and the President of RRG, and that the agreement was reviewed by the Legal Department.

The Parish Attorney should sign and date the agreement indicating that his review took place before the agreement was executed.

All signatures should be dated at the time of signing the agreement.

7. State Of Louisiana – Review of Coastal Protection and Restoration Authority

The Intergovernmental Agreement was entered into on June 25, 2019 between the State of Louisiana through the Coastal Protection and Restoration Authority and Plaquemines Parish Government. The agreement has a term of three (3) years beginning on June 25, 2019 and ending on June 24, 2022.

Controls

Grants Department States: Was it Bid out? After consulting with CPRA Project Management Administrator, CPRA does not require Engineering be procured on small projects. At each step of the process, CPRA has approved documents and progress. CPRA approved the final design before construction was advertised. Construction has been publicly advertised and awarded to the low bidder. Notice to Proceed has been issued.

1. How are the deliverables being monitored? Each Reimbursement Request has documentation required by CPRA that is attached to that request which shows design and/or construction progress.

The objective of the agreement is to set forth the terms, conditions, and responsibilities to be performed by the State and Plaquemines Parish Government in the engineering, design, construction, and operation and maintenance of the **Belle Chasse Walker Road Boat Launch** approved funding by the LA TIG in the Final RP/EX \$ 4.

The agreement was executed and dated by all parties on August 19, 2019 and on October 14, 2019.

The Parish Attorney initialed and stamped the agreement indicating that the Legal Department reviewed the document before it was executed.

The auditor recommends that the Parish Attorney date his stamp and initial on the agreement indicating that his review took place before the agreement was executed.

The witnesses for both parties signed the document. The auditor noted that there are contract monitoring controls in place (a Monthly Monitoring Report).

8. Review of Sigma Consulting Corp.

The agreement was entered into on January 11th, 2022 between Plaquemines Parish Government (Client) and Sigma Consulting Corp (Consultant). The Client retains the Consultant for employee benefits consulting services, actuarial services, building replacement cost valuation services, Stafford Act Insurance Commission's Certification (ICC) Application, Vendor Request for Proposal (RFP) Administration and Selection Services.

The term of the contract for professional services is from February 1, 2022 and ending on January 31, 2023. The parties may, renew this contract for two (2) successive one (1) year terms.

Agreements should not be automatically renewed without the approval of the Parish Council.

The agreement was executed on January 11, 2022 and on January 12, 2022. The agreement was signed and dated by the parties and dated and initialed by the Parish Attorney on December 29, 2021.

The Parish Council should sign and date the agreement indicating that they reviewed the Agreement

before it was executed.

To help ensure that this agreement is an **Arms - Length Transaction - The LLA Best Practice** states “Although the Louisiana Public Bid Law does not require services to be bid, a competitive atmosphere ensures that fees paid for services are cost-effective. Therefore, management is to use the dollar thresholds contained in the Public Bid Law [R.S 38:2211-2226] as a guide in contracting for services. At least three telephone or facsimile quotations are to be obtained for services costing between \$10,000 and \$30,000, and bids should be solicited/obtained for the purchase of services exceeding \$30,000. Any exception to this policy must be approved by the Board/Council in an open meeting.” This Best Practice should be followed.

Parish Ordinance NO. 08-170, adopted in July 2008, that states “An Ordinance authorizing and directing the Parish President to furnish copies of all scope of services regarding **professional service contracts** prior to execution to each Council Member.” This Ordinance should be followed. **Attachment B.**

A deliverable checklist should be in place and attached to the agreement indicating that deliverables are being monitored and received in accordance with the agreement.

9. Review of M.R. Pittman Group, LLC

The agreement was entered into on the 10th day of January 2019 between Plaquemines Parish Government and M.R. Pittman Group, LLC. The Project Name is Scarsdale Drainage Pump Station – Hazard Mitigation. The Funding Sources is PW 1145 / Ordinance NOs 12-13, 14-10, 18-60, 18-108, 18-16. This Contractor submitted a written proposal to the Parish dated October 16, 2018.

It was noted during the review of this Public Works agreement that the authorizing signatures and the Legal Departments signature and stamp were not dated.

10. Review of Linfield, Hunter & Junius

The agreement was entered into on the 15th day of March 2016, between Plaquemines Parish Government and Linfield Hunter and Junius, Inc. The agreement was to provide services for a New Courthouse at Point a la Hache, La. The agreement appears to be an **Architectural /Engineering Service Agreement**. It was noted during the review of this agreement that the authorizing signatures were dated. There appears to be no evidence that this agreement was reviewed by the Legal Department before it was executed. There appears to be no evidence of compliance with the following Parish Ordinances:

✚ **Parish Ordinance No. 01-161** adopted on September 13, 2001, Section 1, does require “the Administration to solicit proposals from three consultant’s, engineering, architectural, or attorney firms prior to employment or submission to the Council for authority to enter into a contract for said services.” This Ordinance should be followed. **Attachment A.**

✚ **Parish Ordinance NO. 08-170**, adopted in July 2008, that states “An Ordinance authorizing and directing the Parish President to furnish copies of all scope of services regarding **professional service contracts** prior to execution to each Council Member.” This Ordinance should be followed. **Attachment B.**

11. Review of Perez Architects

I noted no control issues with this agreement.

VII. Professional Standards

This internal audit was conducted in accordance with the Institute of Internal Auditor's Standards for the Professional Practice of Internal Auditing, (the Red Book).

ATTACHMENTS

ATTACHMENT A - PARISH ORDINANCE NO 01-161

ORDINANCE NO. 01-161

The following Ordinance was offered by Council Member Mudge who moved its adoption:

An Ordinance to amend and as amended to readopt Section 1 of Ordinance No. 93-35 adopted February 11, 1993, relative to solicitation and receipt of proposals for

consultants, engineering and professional services for the Parish of Plaquemines prior to employment; and otherwise to provide with respect thereto.

BE IT ORDAINED BY THE PLAQUEMINES PARISH COUNCIL, THAT:

SECTION 1

It hereby amends and as amended readopts "Section 1" of Ordinance No. 93-35 adopted February 11, 1993, to read as follows:

"SECTION 1

It hereby establishes the following policy regarding the employment of consultants, engineering firms, architects and attorneys and counselors at law:

1. The Administration soliciting proposals shall submit to the Council Secretary in its entirety the proposal package for review
2. The Administration shall solicit proposals from at least three consultants, engineering, architectural or attorney firms prior to employment or submission to this Council for authority to enter into a contract for said services
3. The Administration shall furnish this Council with copies of said proposals immediately upon receipt of same.

SECTION 2

All other sections, paragraphs, provisions or portions of Ordinance No. 93-35 adopted February 11, 1993, shall remain the same and unchanged and in effect.

SECTION 3

The Secretary of this Council is hereby authorized and directed to immediately certify and release this Ordinance and that Parish employees and officials are authorized to carry out the purposes of this Ordinance, both without further reading and approval by the Plaquemines Parish Council.

WHEREUPON, in open session, the above Ordinance was read and considered section by section and as a whole.

Council Member Hodnett seconded the motion to adopt the Ordinance.

The foregoing Ordinance having been submitted to a vote, the vote resulted as follows:

YEAS: Council Members John L. Barthelemy, Jr., Ed Theriot, Judy S. Hodnett, Mike A. Mudge, Steve Vaughn, Amos J. Cormier, Jr., John Taliancich, Janice H. Acosta and Samuel Pizzolato

NAYS: None

ABSENT: None

PRESENT BUT NOT VOTING: None

And the Ordinance was adopted on this the 13th day of September, 2001.

Council Member Barthelemy moved to temporarily pass over Agenda Item 6-i, A Resolution authorizing and directing the Parish President to direct the Harbor Master at the Poine a la Hache Boat Harbor to allow Mr. Lloyd Henry to place his boat on the Boat Ways and to delay collection of past due boat harbor fees; and otherwise to provide with respect thereto. Without objections, so ordered.

ATTACHMENT B - PARISH ORDINANCE NO 08-170

ORDINANCE NO. 08-170

The following Ordinance was offered by Council Member Friedman who moved its adoption:

An Ordinance authorizing and directing the Parish President to furnish copies of all scope of services regarding professional service contracts prior to execution to each Council Member; and otherwise to provide with respect thereto.

WHEREAS, all professional services contracts signed by the Parish President on behalf of the Plaquemines Parish Government have a direct impact on finances, as well as the efficiency and timely manner in which work is being performed either parish wide or in individual council districts; and

WHEREAS, in accordance with the Plaquemines Parish Charter for Local Self-Government, Section 3.10: (K), Duties of the President - Attend or be represented by his designee at Council Meetings, **furnish such information as may be requested by any Council Member**, and have the right to take part in any discussions, but without the right to vote, the Plaquemines Parish Council hereby formally authorizes and directs the Parish President to furnish copies of all scope of services regarding professional service contracts prior to execution to each Council Member;

NOW THEREFORE:

BE IT ORDAINED BY THE PLAQUEMINES PARISH COUNCIL THAT:

SECTION 1

The Plaquemines Parish Council hereby authorizes and directs the Parish President to furnish copies of all scope of services regarding professional service contracts prior to execution to each Council Member, in accordance with the Section 3.10: (K) of the Charter for Local Self-Government.

SECTION 2

The Secretary of this Council is hereby authorized and directed to immediately certify and release this Ordinance and that Parish employees and officials are authorized to carry out the purposes of this Ordinance, both without further reading and approval by the Plaquemines Parish Council.

WHEREUPON, in open session the above Ordinance was read and considered section by section and as a whole.

Council Member Hodnett seconded the motion to adopt the Ordinance.

The foregoing Ordinance having been submitted to a vote, the vote resulted as follows:

YEAS: Council Members Don Beshel, Jerry Hodnett, Irvin Juneau, Anthony L. Buras, John J. Friedman, Lynda G. Banta and Marla Cooper

NAYS: None

ABSENT: Council Member Keith Hinkley

PRESENT BUT NOT VOTING: Council Member Burghart Turner (Abstained)

And the Ordinance was adopted on this the 10th day of July, 2008.

