

# Plaquemines Parish Government

Parish President  
**Keith Hinkley**

Randy A Duke  
CPA, CIA, CIGA  
Chief Internal Auditor

## INTERNAL AUDIT

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## Council Members

District 1 - Tyronne Edwards  
District 2 - Brian Champagne  
District 3 - Christopher "Chris" Schulz  
District 4 - Dr. Stuart J Guey, Jr.  
District 5 - Patricia L. "Patty" McCarty  
District 6 - Lloyd "Ronnie" Newsom, Jr.  
District 7 - Carlton M LaFrance Sr.  
District 8 - Mitch Jurisich, Jr.  
District 9 - Mark "Hobbo" Cognevich

## MEMORANDUM

**To:** Council Member Mr. Christopher "Chris" Schulz  
Chair - Audit Committee Member

**Date:** May 2, 2024

Council Member Mr. Lloyd "Ronnie" Newsom, Jr.  
Audit Committee Member

Council Member Mr. Mitch Jurisich, Jr.  
Audit Committee Member

**From:** Randy A. Duke, C.P.A., CIA, CIGA  
Chief Internal Auditor

**Re:** Plaquemines Port Harbor & Terminal District ("Port")  
Investigation of the Employee Time and Attendance  
**Project No. 2024-04**

Attached are the results of the Internal Audit Department's Investigation of the employee Time and Attendance

I would like to express our appreciation for the expert assistance and cooperation received from Mr. Charles Tillotson, Executive Director, Ms. Melissa Folse, JD, MPE, Deputy Director and Executive Counsel and Mr. Tommy Serpas, Consultant.

**cc:** Mr. Keith Hinkley Plaquemines Parish Government, President, Mr. Charles Tillotson, Executive Director, Ms. Melissa Folse, JD, MPE, Deputy Director and Executive Counsel and Mr. Tommy Serpas, Consultant.

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## Investigation of the Employee Time and Attendance

Project No. 2024-04

**Randy A. Duke, CPA, CIA, CIGA**  
**Chief Internal Auditor**  
**Internal Audit Department**

# Investigation of the Employee Time and Attendance

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## EXECUTIVE SUMMARY

This executive summary represents the results of our investigation of the employee time and attendance.

Our objectives were as follows:

### Objectives

- Verify that the employee documents, approved timesheet, monthly attendance calendar, timecard and leave document are matched and checked for accuracy by an independent employee before paying salaries.
- Verify that all employee payroll documents are available for review before paying salaries.

### Conclusions

The Port needs to improve their controls over time and attendance documents, timesheets, monthly attendance calendar, timecard and leave document.

### Findings

#### Finding # 1: Employee Time and Attendance

**Criteria:** The approved timesheet, monthly attendance calendar, timecard and leave document are matched and checked for accuracy by an independent employee before paying salaries.

**Conditions:** The auditor noted that the employee's timesheet did not match and agree with the employee's monthly attendance calendar. The employee's timecard and leave document were missing. **Attachments I and II.**

**Cause:** Inadequate control over employee payroll documents.

**Effect:** Payroll Time and Attendance is inaccurate.

**Responsibility for Action:** Mr. Charles Tillotson, Port Executive Director

**Recommendations:** The employee time and attendance documents, approved timesheet, monthly attendance calendar, timecard and leave document should be match and checked for accuracy by an independent employee before paying salaries. All employee payroll documents, time sheet, monthly attendance calendar, timecard and leave document should be available for review before paying salaries.

**Management Response:** See Attachment III.

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## INTERNAL AUDIT REPORT

### I. Audit Initiation

In accordance with the Plaquemines Parish Government Audit Charter and the approved Internal Audit Department's annual audit plan for 2024, I have performed the following Investigation of the Port's employee time and attendance.

### II. Audit Background

The Port pays employee salaries based upon an approved employee timesheet, monthly attendance calendar, timecards and leave documents.

### III. Audit Planning

- Determine the audit objectives, scope, and methodology.
- Interview the ports management.
- Gather additional documents.

### IV. Audit Objectives, Scope, and Methodology

Our objectives were as follows:

#### Objectives

- Verify that the employee documents, approved timesheet, monthly attendance calendar, timecard and leave document are matched and checked for accuracy by an independent employee before paying salaries.
- Verify that all employee payroll documents are available for review before paying salaries.

## Scope

- The audit period was from July 10, 2023 through July 23, 2023.

## Methodology

- Interview the Port Executive Director, Deputy Director, and the Port Consultant.
- Discuss and review with the Port Executive Director, Deputy Director, and the Consultant the employee timesheet and employee monthly attendance calendar. **Attachments I and II.**
- Obtain additional documentation if available that could have a bearing on this investigation.

## Documents Reviewed

- Employee timesheet.
- Employee monthly attendance calendar.

## V. Audit Information and Analysis

During the review of the employee's payroll documents, timesheet and monthly calendar for the period from July 10, 2023 through July 23, 2023 the auditor noted that the reported payroll expense, annual leave, and sick leave did not match with the employees' monthly calendar, resulting in inaccurate payroll time and attendance records. **Attachments I and II.**

## VI. Internal Audit Professional Standards

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

## Attachments

# Attachment I- Employee Timesheet

## Plaquemines Port, Harbor & Terminal District Time & Attendance Record

Department Name: GENERAL Non-Exempt

Employee Name: Rollo (Last) Danielle (First) Leigh (Middle)

Pay Period: 07/13/23 to 07/23/23 Pay Date: 07/28/23

*wed -> worked but was on cruise.*

Week 1	Total	Regular	Regular Overtime	Annual Leave	Holiday Pay	Sick Leave	*Other						
							Code	Hours					
Monday	8.00			8.00			48						
Tuesday	8.00			4.00									
Wednesday	8.00	6.50		1.50			4.00						
Thursday	8.00					8.00							
Friday	8.00					8.00							
Saturday	0.00												
Sunday	0.00												
<b>Total</b>	<b>40.00</b>	<b>6.50</b>	<b>0.00</b>	<b>13.50</b>	<b>0.00</b>	<b>16.00</b>	<b>4.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Week 2	Total	Regular	Regular Overtime	Annual Leave	Holiday Pay	Sick Leave	*Other						
							Code	Hours					
Monday	8.00	8.00											
Tuesday	8.00	6.00				2.00							
Wednesday	8.00	7.00				1.00							
Thursday	8.00	8.00											
Friday	8.00	8.00											
Saturday	0.00												
Sunday	0.00												
<b>Total</b>	<b>40.00</b>	<b>37.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3.00</b>	<b>0.00</b>						

<b>Grand Total</b>	<b>80.00</b>	<b>43.50</b>	<b>0.00</b>	<b>13.50</b>	<b>0.00</b>	<b>19.00</b>	<b>4.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
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Code	Description
09	Straight Overtime
48	Leave Without Pay
50	Family & Medical Leave
60	Absence Without Leave
64	Suspension
72	Funeral Leave
78	Military Leave with Pay
85	Stand By Pay
94	Civil Pay
99	Miscellaneous

	Annual	Sick
Beginning Balance	13.50	19.00
Earned	4.00	4.00
Used	13.50	19.00
Ending Balance	4.00	4.00

	Signatures	Date
Employee	<i>[Signature]</i>	7/24/2023
Supervisor	<i>[Signature]</i>	7/26/23

\* Hours Earned during the current payperiod are not available for use until following pay period.  
 \*\* The Balance Summary for annual and sick leave that appears on this timesheet is for the convenience of the employee for tracking purposes only.

# Attachment II - Employee Calendar

July 2023							August 2023						
July 2023							August 2023						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
2	3	4	5	6	7	8	6	7	8	9	10	11	12
9	10	11	12	13	14	15	13	14	15	16	17	18	19
16	17	18	19	20	21	22	20	21	22	23	24	25	26
23	24	25	26	27	28	29	27	28	29	30	31		
30	31												
SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Jun 25	26	27	28	29	30	Jul 1							
2	3	4 Independence Day	5 9:30am Donnie S/L In/Out - Donnie Sexton	6 Missy S/L - Melissa Morel	7 12:00pm Roxann leaving 1:30pm Donnie Out 2:00pm Shawna Out	8							
9	10	11	12	13	14	15							
			Danielle (OUT) - A/L - Danielle Rollo										
	8:00am Roxann - Late - Roxann Picou 12:30pm Shawna S/L -		2:00pm Missy A/L - Melissa Morel	8:00am Roxann - A/L - Roxann Picou	Kourtnie S/L - Office Missy out - Melissa Morel								
16	17 Harrolynn - A/L	18 Roxann - S/L (Doctor) - Roxann Picou 9:00am Canceled: Dr. 11:00am Danielle - Work	19 12:00pm Donnie Out Early - A/L - Office 3:30pm Danielle - OUT @ 3:30pm - Danielle	20 8:00am Shawna - Work from Home - Office 4:30pm Missy A/L - Melissa Morel	21 Canceled: Erica Annual Canceled: Melissa A/L - Canceled: Roxann - S/L	22							
23	24 8:00am Missy late - Melissa Morel	25 Roxann - A/L - Roxann Picou	26 Canceled: Brenda out - Brenda Lally	27 9:00am LOMSEC (LA Maritime Security Community) Meeting (St Bernard Port)	28	29							
30	31 Donnie - WFH - Donnie Erica S/L Roxann - out - Roxann 3:45pm Danielle - Out	Aug 1	2	3	4	5							

## Attachment III – Management Response



Melissa Folse  
Deputy Director  
mfolse@pphtd.com

May 1, 2024

Randy Duke  
[rduke@ppgov.net](mailto:rduke@ppgov.net)  
Plaquemines Parish Internal Auditor

**Re: Investigation of Payroll Fraud / Employee No: 21055**

Dear Randy,

You recently brought to my attention that in July 2023, a Port employee had signed a timecard reflecting 6.5 hours worked on Wednesday, July 12, 2023, and 16 hours of sick leave on Thursday, July 13, and Friday, July 14, when other documentation indicated she had taken a cruise from July 10 to July 14. Thus, it appeared that the employee accepted compensation from the Port for time she did not work and utilized her available sick leave when she was not ill. We thoroughly investigated this matter with reviewing documents, including the employee's annual and sick leave balances, leave donation forms, payroll and time off policies, the time sheets for June and July 2023, and documentary evidence of the employee's vacation, as well as interviewing Finance personnel, the employee, and the employee's supervisor.

The investigation substantiated that 6.5 hours of pay on Wednesday, July 12, 2023 was incorrectly paid to the employee. However, we were unable to substantiate that it was intentional fraud. The employee expressed surprise at the entry of 6.5 working hours, asserted that it was a mistake, and immediately took responsibility for reimbursement. Both the supervisor and the employee misunderstood the policy that sick leave cannot be used to supplement annual leave, which also appears to be a common understanding amongst the staff. Furthermore, the original leave slip submitted by the employee was either lost or misfiled by Payroll, so it could not be verified that a mistake did not occur in data entry. Finally, it was noted that in mid-2023, the pay stubs did not always accurately reflect annual and sick leave balances.

Since July 2023, the Port has undertaken several steps to prevent payroll fraud in addition to its refresher training on relevant policies. For instance, we changed the timeclocks to a biometric system to preclude employees from altering timesheets or timecards or "clocking in" for any other employee. We have additionally moved to a new payroll system which has tighter security controls to, among other benefits, prevent timecard manipulation.

Given the investigation's findings and our improvements to the payroll and timeclock system, the employee received a written warning requiring review of the Port's payroll and fraud policies and the Civil Service Rule IV, Section 3 on acceptable uses of sick leave by May 15, as well as vigilance against fraud in the

future. The employee additionally agreed to repay the 6.5 hours of pay (authorization attached).<sup>1</sup> We also reprimanded and counseled the employee about abuse of leave and better time management as her history shows a tendency toward zero balances throughout the year, indicating she takes leave as soon as it is accrued. The supervisor also received a written warning, requiring review of the Port's payroll and fraud policies and Civil Service Rule IV, Section 3 by May 15, as well as expected vigilant and careful review of employee timecards in the future. Both warnings noted that any future violation of the Payroll or Fraud Awareness & Prevention policies or Civil Service Rules would result in further disciplinary action up to and including dismissal.

Should you have any questions or require further information, please do not hesitate to contact me.

Sincerely,



Melissa Folse  
Deputy Port Director / Executive Counsel

Attachment

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<sup>1</sup> As the sick leave hours were deducted from her sick leave balance, repayment was not warranted.



Melissa Folsie  
Deputy Director  
mfolsie@pphtd.com

**PAYROLL DEDUCTION AUTHORIZATION**

As a result of an incorrect payment received by me, I owe to Plaquemines Port Harbor & Terminal District (the "Port") an amount equivalent to 6.5 hours of work at my 2023 hourly rate of \$21.76. The total amount owed to the Port is \$141.40.

I authorize the Port to withhold from my wages the total amount of \$141.40, which shall be withheld from the paycheck, divided into two pay periods (May 17, 2024 and May 31, 2024) at a rate of \$70.21 per pay period.

6.50 hours @ rate \$21.7558/hr.

I further agree that in the event my employment shall terminate, either voluntarily or involuntarily, prior to the full repayment of the total amount set forth above, the Port may withhold the remaining amount owed from my final payments of salary, vacation, or other vested benefit (excluding retirement benefits) due me, except to the extent prohibited by federal or state law.

I represent that this authorization is executed voluntarily and has not been made as a condition of my continued employment.

Employee name (printed): \_\_\_\_\_

Employee signature: \_\_\_\_\_

Employee ID#: 21055 \_\_\_\_\_

Date: 5/1/2024 \_\_\_\_\_

