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January 28, 2020

Honorable Jaclyn Hotard
President
St. John the Baptist Parish
1811 West Airline Highway
Laplace, LA 70068

Re: Engagement letter addendum required to comply with Louisiana Legislative Auditor Requirements

Dear Ms. Hotard:

As an addendum to our original engagement letter dated November 26, 2018, we are writing to notify you that our statewide agreed-upon procedures engagement in connection with agreed-upon procedures applied by us to certain financial information and transactions recorded by the St. John the Baptist Parish Council for the year ended December 31, 2019 requires that we communicate additional matters as required by the Louisiana Legislative Auditor.

Our fee for these services for the year ended December 31, 2019 will not exceed $5,000, depending upon any changes to the LLA required procedures. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. All the other terms of our original engagement letter will apply to this addendum.

The procedures required to be included are as follows:

Written Policies and Procedures

1. Obtain and inspect the Parish's written policies and procedures and observe that they address each of the following categories and subcategories:

   a) ***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.

Collections

2. 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).

3. 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 (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:

   a) Employees that are responsible for cash collections do not share cash drawers/registers.

   b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

   c) Each employee responsible for collecting cash is not 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.

   d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

4. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

5. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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). *Alternately, 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:

   a) Observe that receipts are sequentially pre-numbered.

   b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

   c) Trace the deposit slip total to the actual deposit per the bank statement.

   d) 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).

   e) Trace the actual deposit per the bank statement to the general ledger.

This addendum will become effective as soon as you sign and date the original and copy of this letter and return the signed copy to us.

Sincerely,

Carr, Riggs & Ingram, L.L.C.

ACKNOWLEDGED:

This letter correctly sets forth the understanding of the St. John the Baptist Parish Council.

By: _____
Honorable Jaclyn Hotard, President

Date: 2/2/2020