

COASTAL PROTECTION AND RESTORATION AUTHORITY

NATURAL RESOURCE DAMAGE ASSESSMENT AND RESTORATION (NRDAR) FUNDS

RECOVERY ASSISTANCE SERVICES

**Agreed-Upon Procedures Report
for the period April 20, 2011-December 31, 2019
Issued December 11, 2023**

**LOUISIANA LEGISLATIVE AUDITOR
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November 28, 2023

Independent Accountant's Report on the
Application of Agreed-Upon Procedures

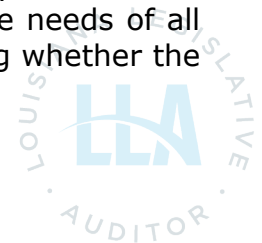
**MR. GREGORY M. GRANDY, DEPUTY EXECUTIVE DIRECTOR
COASTAL PROTECTION AND
RESTORATION AUTHORITY**
Baton Rouge, Louisiana

We have performed the procedures enumerated below on Natural Resource Damage Assessment and Restoration (NRDAR) funds received by the Coastal Protection and Restoration Authority (CPRA) as a result of the Deepwater Horizon (DWH) oil spill for the period April 20, 2011, through December 31, 2019, solely to assist CPRA management in evaluating the accuracy of funds reported on the project Statements of Receipts and Expenditures and CPRA's compliance with the following, when applicable:

- Framework Agreement for Early Restoration Addressing Injuries Resulting from DWH oil spill;
- Project Stipulation Agreement(s) regarding Early Restoration of Natural Resource Damages Resulting from the DWH oil spill;
- Resolutions signed by the Trustee Council of Trustee Implementation Groups (TIG) that involve financial approvals or transactions; and
- Trustee Council Standard Operating Procedures for Implementation of the Natural Resource Restoration for the DWH oil spill.

CPRA management is responsible for the accuracy of the Statements of Receipts and Expenditures and for compliance with applicable requirements.

CPRA management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement. 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.



Overall Results

For the period April 20, 2011, through December 31, 2019, we performed procedures on NRDAR funds reported on Statements of Receipts and Expenditures totaling \$351,433,230 for receipts and \$233,050,101 for expenditures. As a result of applying our procedures, we did not note any exceptions.

NRDAR Receipts

The procedures and associated findings are as follows:

PROCEDURE 1: We confirmed that funds received from the Department of Interior (DOI) are accounted for separately from other sources of funding to ensure that funds provided and interest earned are used only for DWH NRDAR activities.

FINDING 1: We found no exceptions as a result of this procedure.

PROCEDURE 2: We confirmed that NRDAR funds were transferred to CPRA, from the Louisiana State Treasury, and are accounted for separately from other sources of funding to ensure that the funds provided are used only for DWH NRDAR activities.

FINDING 2: We found no exceptions as a result of this procedure.

PROCEDURE 3: We confirmed that funds received are supported with a Project Stipulation or Resolution agreement that has been approved by the Trustee Council, as witnessed by signatures of representatives from each Trustee Implementation Group trustee for any funds.

FINDING 3: We found no exceptions as a result of this procedure.

NRDAR Expenditures and Cost Documentation

The procedures and associated findings exceeding \$10,000 per expenditure are as follows:

PROCEDURE 4: We sampled and confirmed that direct costs are related to planning and implementing projects or related activities approved in a project or non-project activity budget.

FINDING 4: We found no exceptions as a result of this procedure.

PROCEDURE 5: We sampled and confirmed that CPRA is recovering indirect costs in accordance with the appropriate approved indirect cost policy.

FINDING 5: We found no exceptions as a result of this procedure.

PROCEDURE 6: We sampled and confirmed that CPRA labor expenditures are based on actual expenses.

FINDING 6: We found no exceptions as a result of this procedure.

PROCEDURE 7: We selected a sample and confirmed that travel expenditures are in accordance with the appropriate travel policy and that the expenses are based on costs related to actual travel.

FINDING 7: We found no exceptions as a result of this procedure.

PROCEDURE 8: We sampled and confirmed that contractual service expenditures are supported by invoices, receipts, contracts, lease agreements, approval of payment, or other applicable documentation.

FINDING 8: We found no exceptions as a result of this procedure.

PROCEDURE 9: We sampled and confirmed that the Louisiana Trustees' expenditures are supported by invoices, receipts, contracts, lease agreements, approval of payment, or other applicable documentation and are in accordance with CPRA General Rules and Guidelines for Submitting Requests for Reimbursement.

FINDING 9: We found no exceptions as a result of this procedure.

PROCEDURE 10: We sampled and confirmed that supplies, services, and equipment expenditures made outside of the contracting process are supported by invoices and receipts.

FINDING 10: We found no exceptions as a result of this procedure.

Statements of Receipts and Expenditures

The procedures and associated findings are as follows:

PROCEDURE 11: We sampled and confirmed that the total receipts and expenditures, by portal ID, reported in the Statements of Receipts and Expenditures reconcile to the values reported in the Data Integration Visualization Exploration and Reporting (DIVER) system. We were to report exceptions, per portal ID, that were both greater than \$10,000 and had a greater than 1% variance from CPRA reported values in DIVER.

FINDING 11: We found no exceptions as a result of this procedure.

PROCEDURE 12: We confirmed the total interest CPRA reported in DIVER reconciles to the backup documentation and were to report variances greater than 1% of the values CPRA reported in DIVER.

FINDING 12: We found no exceptions as a result of this procedure.

We were engaged by CPRA management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with Generally Accepted Government Auditing Standards and attestation standards established by the American Institute of Certified Public Accountants. 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 the Statements of Receipts and Expenditures or on CPRA's compliance with applicable requirements noted above. 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 CPRA 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 for the information and use of CPRA management, and is not intended to be, and should not be, used by anyone other than this specified party. By provision of state law, this report is a public document and has been distributed to the appropriate public officials.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Mike Waguespack", with a stylized flourish extending to the right.

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MJW/aa

NRDAR 2023

BACKGROUND

In 2009, Act 523 of the Louisiana Legislature created the Office of Coastal Protection and Restoration (OCPR) as an implementation and enforcement arm of the Coastal Protection and Restoration Authority (CPRA). In 2012, Act 604 of the Louisiana Legislature renamed CPRA as the CPRA Board and changed its implementation and enforcement arm from OCPR to CPRA.

CPRA is tasked with developing, implementing, and enforcing the comprehensive coastal protection and restoration master plan. CPRA is also responsible for administering funds related to the Deepwater Horizon Oil Spill through the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act, Natural Resources Damage Assessment, and National Fish and Wildlife Foundation settlements and/or grants. These funds are provided for the acquisition of land for conservation, restoration of barrier islands, restoration of inland marshes, construction of shoreline restoration and protection barriers, river diversions, and construction of coastal infrastructure.

In 2016, the Restoration Agreement between the United States, the five Gulf States, and British Petroleum Exploration and Production, Inc was approved. All parties agreed to develop Standard Operation Procedures (SOP) for the long-term management, implementation, and administration of settlement funds for natural resource restoration. These SOPs require periodic financial audits or Agreed Upon Procedures engagements to ensure public trust and accountability regarding the use of funds.

CPRA restoration projects funded by the Deepwater Horizon Oil Spill settlement and penalties are intended to restore Louisiana's coast from the impacts and losses associated with the oil spill disaster. Examples of typical restoration activities include:

- Barrier Island/Headland Restoration - Creation and restoration of dune, beach, and back-barrier marsh to restore or augment Louisiana's offshore barrier islands and headlands.
- Diversion - Use of channels and/or structures to divert sediment and fresh water from the Mississippi and Atchafalaya Rivers into adjacent basins.
- Marsh Creation - Creation of new wetlands in open water areas through sediment dredging and placement. Most of these projects involve pipeline conveyance of sediment.

MANAGEMENT'S RESPONSE



State of Louisiana

JOHN BEL EDWARDS
GOVERNOR

November 30, 2023

Mr. Michael J. "Mike" Waguespack, CPA
Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Waguespack:

RE: Audit Report - Engagement for Agreed Upon Procedures with the Coastal Protection and Restoration Authority

I am writing to provide a response to the audit report for the engagement to apply agreed-upon procedures to Natural Resource Damage Assessment and Restoration (NRDAR) funds received by the Coastal Protection and Restoration Authority (CPRA) as a result of the Deepwater Horizon (DWH) oil spill for the period April 20, 2011, through December 31, 2019. Specifically, CPRA engaged your team to assist in evaluating the accuracy of funds reported on the project Statements of Receipts and Expenditures and CPRA's compliance with the Framework Agreement for Early Restoration Addressing Injuries Resulting from DWH oil spill; Project Stipulation Agreement(s) regarding Early Restoration of Natural Resource Damages Resulting from the DWH oil spill; Resolutions signed by the Trustee Council of Trustee Implementation Groups (TIG) that involve financial approvals or transactions; and Trustee Council Standard Operating Procedures for Implementation of the Natural Resource Restoration for the DWH oil spill.

This engagement involved a review of several years of information, and we are pleased to learn that the audit yielded no exceptions. We value the service this audit group is providing to CPRA. The work performed by the auditors not only satisfies an audit requirement by the DWH Trustees, but it also serves as an important tool in assessing our overall compliance with the NRDA funding requirements.

We look forward to the next review period and working with your team. If you have any questions or need additional information, please contact me at 342-4698.

Sincerely,

Janice A. Lansing
Chief Financial Officer

c: Gregory M. Grandy, Deputy Executive Director
Candace Oby, Accountant Administrator
Gloria Tigner, Coastal Resources Program Administrator
Victoria Hayes, Assistant Legislative Auditor and Director of Recovery Assistance Services

Executive Division