



Report Highlights

Executive Department

DARYL G. PURPERA,
CPA, CFE

Audit Control #80190032
Financial Audit Services • January 2020

Why We Conducted This Audit

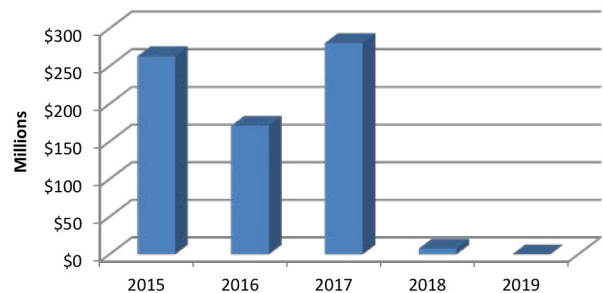
We performed certain procedures at the Executive Department as a part of the Comprehensive Annual Financial Report (CAFR) of the State of Louisiana, the Single Audit Report of the State of Louisiana, and to evaluate the department's accountability over public funds for the period July 1, 2018, through June 30, 2019.

What We Found

The Community Development Block Grant (CDBG) Homeowner Assistance Program (HAP) is a housing recovery program, with approximately \$8.9 billion in disbursements since fiscal year 2007. This program assists families affected by hurricanes Katrina and Rita get back into their homes.

- The Division of Administration, Office of Community Development (OCD), Disaster Recovery Unit identified \$155,000 in noncompliant HAP awards for two homeowners through post-award monitoring. Failure to recover benefits from noncompliant homeowners could result in disallowed costs that the state could be liable to repay to the federal government.

HAP Awards Added to Recovery, by Fiscal Year



Source: OCD Grant Recapture Reports

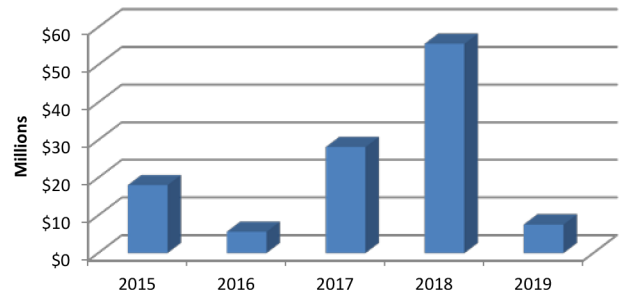
During 2019, the HAP program continued with a decline in the amounts added to recovery, which is a result of the program being in its final stages. No further award expenditures for this program are expected beyond fiscal year 2020, and OCD will continue to focus on grant recapture and collections as it moves toward program closeout.

The CDBG Small Rental Property Program (SRPP) provides funding to property owners to repair their storm-damaged, small-scale rental properties and make their units available to low- and moderate-income tenants at affordable rates.

- OCD identified \$7,585,337 in SRPP loans for 85 property owners who failed to comply with one or more of their loan agreement requirements and were assigned to loan recovery status. Failure to recover loans from noncompliant property owners could result in disallowed costs.

The 2019 decrease in SRPP amounts added to recovery is primarily due to a change in the processing of potentially noncompliant files which has resulted in more prompt responses from applicants, preventing them from being placed in recapture.

SRPP Awards Added to Recovery, by Fiscal Year



Source: OCD Loan Recovery Reports

Management has resolved the prior-year finding related to Deficiencies in Control over Payroll.

View the full report, including management's responses, at www.lla.la.gov.