

DEPARTMENT OF PUBLIC SAFETY
AND CORRECTIONS -
PUBLIC SAFETY SERVICES

STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES
MANAGEMENT LETTER
ISSUED DECEMBER 20, 2021

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

FIRST ASSISTANT LEGISLATIVE AUDITOR
ERNEST F. SUMMERVILLE, JR., CPA

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Louisiana Legislative Auditor

Michael J. “Mike” Waguespack, CPA



Department of Public Safety and Corrections –
Public Safety Services

December 2021

Audit Control # 80210043

Introduction

As a part of our audit of the State of Louisiana’s Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021, we performed procedures at the Department of Public Safety and Corrections, Public Safety Services (DPS) to provide assurances on financial information that is significant to the state’s Annual Comprehensive Financial Report; evaluate the effectiveness of DPS’s internal controls over financial reporting and compliance; and determine whether DPS complied with applicable laws and regulations. We also performed procedures for the period July 1, 2020, through June 30, 2021, to evaluate certain internal controls DPS uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. In addition, we determined whether management has taken actions to correct the findings reported in the prior-year procedural report.

Results of Our Procedures

Follow-up on Prior-year Findings

Our auditors reviewed the status of the prior-year findings reported in the DPS Procedural Report dated October 28, 2020. We determined that management has resolved the prior-year finding related to Untimely Deposit of Fees of the Liquefied Petroleum Gas Commission Rainy Day Fund. The prior-year findings related to Lack of Adherence to Controls over Payroll, Weaknesses in Controls over Property of Louisiana State Police and Office of State Fire Marshal, and Noncompliance with State Purchasing Regulations have not been resolved and are addressed again in this letter.

Current-year Findings

Lack of Adherence to Controls over Payroll

DPS Office of Motor Vehicles (OMV) and Office of State Fire Marshal (OSFM) did not timely certify and approve time sheets. This is the fourth consecutive engagement for which this issue related to OMV payroll was noted. OMV and OSFM utilize electronic time sheets in the Cross-Application Time Sheet (CATS) system.

In our review of payroll system reports for OMV for the period between August 22, 2020, and May 16, 2021, we noted the following:

- 521 (5%) of 10,454 time sheets were not certified by the employee or were certified between 4 and 111 days (or an average of 22 days) after the payroll posting date.
- 1,529 (15%) of 10,454 time sheets totaling approximately \$2.3 million in salaries, wages, leave, and overtime paid, had not been approved by the supervisor prior to payroll processing. At the time of our testing, 1,206 time sheets had not been approved by a supervisor, and 323 time sheets were approved by the employees' supervisors between 5 and 166 days (or an average of 21 days) after the payroll posting date.

In our review of payroll system reports for OSFM for the period between July 1, 2020, and April 4, 2021, we noted the following:

- 385 (12%) of 3,166 time sheets were not certified by the employee or were certified between 4 and 377 days (or an average of 266 days) after the payroll posting date.
- 1,577 (50%) of 3,166 time sheets totaling approximately \$4.6 million in salaries, wages, leave, and overtime paid, had not been approved by the supervisor prior to payroll processing. At the time of our testing, 1,073 time sheets had not been approved by a supervisor, and 504 time sheets were approved by the employees' supervisors between 3 and 409 days (or an average of 107 days) after the payroll posting date.

DPS payroll policy requires time sheet approvers to ensure entries are submitted by subordinate employees by the close of the applicable pay period. Approvers are also responsible for reviewing certified time sheets for accuracy and immediately approving or rejecting the certified time statement. Action should be taken on time sheets no later than the Wednesday following the close of the pay period.

OMV and OSFM employees did not adhere to controls over payroll to certify and approve hours actually worked. As a result, there is an increased risk that errors and/or fraud could occur and not be detected in a timely manner.

Management should ensure employees comply with existing policies and procedures, including properly certifying and approving time sheets in a timely manner. OMV management concurred with the finding and provided a corrective action plan. OSFM management did not concur nor deny the finding, but accepted the finding and provided a corrective action plan (see Appendix A, pages 1-4).

Weaknesses in Controls over Property of the Office of State Police and Office of State Fire Marshal

The Office of State Police (OSP) and the OSFM did not ensure that all property purchased was timely tagged and recorded in the state property system in accordance with state property regulations. This is the fourth and second consecutive engagements in which this issue related to OSP and OSFM movable property, respectively, was noted.

The Louisiana Administrative Code requires all movable property items having an original acquisition cost of \$1,000 or more to be tagged with a uniform state of Louisiana identification tag, and all pertinent inventory information forwarded to the Louisiana Property Assistance Agency within 60 calendar days after receipt of the items.

Our procedures performed on 18 OSP movable property items acquired between July 1, 2020, and February 28, 2021, disclosed the following:

- Nine items (50%) totaling \$209,297 were not entered into the LaGov property system within 60 days of acquisition. Of those nine items, six were entered into property system only after notification by the auditor of the asset purchases, and as of September 20, 2021, one item has not been entered into the system. The time between the acquisition date of the assets and entry into LaGov ranged from 97 to 267 days (or an average of 170 days).

Our procedures performed on 22 OSFM movable property items acquired between July 1, 2020, and February 28, 2021, disclosed the following:

- Eight items (36%) totaling \$12,119 were not entered into the LaGov property system within 60 days of acquisition. All eight of the items were entered into property system only after notification by the auditor of the asset purchases. The time between the acquisition date of the asset and entry into LaGov property system ranged from 80 to 199 days (or an average of 173 days).

OSP and OSFM's movable property function is hampered by employees not adhering to department procedures for tagging and recording assets and the decentralization of movable property at various locations. Failure to comply with state property regulations increases the risk that assets may be misreported, lost, or stolen.

OSP and OSFM management should ensure that information included in LaGov is accurate and complete through reconciliations to purchases per the accounting system and through the establishment of centralized receiving locations to the extent possible. Management concurred with the finding and provided a corrective action plan (see Appendix A, pages 5-10).

Noncompliance with State Purchasing Regulations

For the second consecutive engagement, the OSP and OSFM did not ensure that purchases made with the LaCarte card were in accordance with state purchasing regulations.

Our procedures on LaCarte card purchases disclosed the following:

- OSP and OSFM employees used the LaCarte card to purchase information technology equipment that should have been acquired through the Office of Technology Services (OTS). Per Louisiana Revised Statute 39:15.3(B)(21), OTS is responsible for centrally procuring information technology systems and equipment. OTS policy includes a list of centrally-procured items such as computers, printers, and monitors.

Billing statements we reviewed included purchases totaling approximately \$1.6 million and \$542,000 dated between October 7, 2020, and January 5, 2021, made by OSP and OSFM employees, respectively. In a review of 20 OSP LaCarte transactions, 11 transactions (55%) included information technology items totaling \$12,267 that included printers, laptops, external computer hardware, and computer software. In addition, of 17 OSFM LaCarte transactions reviewed, two transactions (12%) included software and external hard drives totaling \$702.

- An OSP employee used the LaCarte card to make recurring purchases that included card usage fees for the time period October 7, 2020, through June 30, 2021. Per the state's LaCarte Purchasing Card Policy, the decision to use a State Purchasing card on a purchase that will incur a surcharge or convenience fee should be based on rare and extenuating circumstances. There were 27 transactions to one vendor that included convenience fees totaling \$739.

OSP and OSFM employees were not aware of the applicable state policies regarding the use of the LaCarte card for certain purchases. Noncompliance with state purchasing regulations increases the risk that fraud or waste could occur and not be detected in a timely manner.

Management should ensure that employees are adequately trained and kept aware of applicable state purchasing regulations to ensure LaCarte purchases are made in accordance with state regulations. Management concurred in part with the finding and provided a corrective action plan (see Appendix A, pages 11-15).

Untimely Deposit of Fees for the Concealed Handgun Permit Fund

OSP did not make timely deposits of fees collected for the Concealed Handgun Permit Fund (Fund) in accordance with state requirements.

The OSP is authorized to assess and collect fees for the administrative costs of investigation and other services required to process and issue concealed handgun permits to qualifying Louisiana residents. Our procedures performed on a population of more than \$1.5 million in permit fee collections made by money order or check between July 1, 2020, and April 30, 2021, disclosed fees collected for 11 of 14 (79%) transactions reviewed were not immediately deposited in the State Treasury, as required. Fees totaling \$1,563 were deposited between 22 and 251 days after receipt.

Per Louisiana Revised Statute 40:1379.3.1(B), the fees received by DPS as authorized for the Fund shall be deposited immediately upon receipt in the State Treasury. The Office of Statewide Reporting and Accounting Policy generally defines “immediately” as within 24 hours of receipt.

OSP did not ensure adequate procedures exist to deposit permit fee collections timely. Untimely deposits increase the risk that fraud and/or errors could occur and not be detected in a timely manner and reduce potential interest earnings on deposits.

OSP management should ensure that policies and procedures are adequately designed and implemented to properly safeguard fee collections and ensure timely deposits. Management concurred with the finding and provided a corrective action plan (see Appendix A, pages 16-17).

Annual Comprehensive Financial Report – State of Louisiana

As a part of our audit of the Annual Comprehensive Financial Report for the year ended June 30, 2021, we considered internal control over financial reporting and examined evidence supporting OMV state sales tax revenues, and Parish and Municipal Motor Vehicle Sales and Use Tax Escrow Fund additions and deletions.

The account balances and classes of transactions tested are materially correct.

Other Procedures

In addition to the Annual Comprehensive Financial Report procedures noted above, we performed certain procedures that included obtaining, documenting, and reviewing DPS’s internal control and compliance with related laws and regulations over capital assets, LaCarte purchasing card expenditures, payroll, and certain statutory dedications.

Capital Assets

To follow-up on the prior-year finding related to Weaknesses in Controls over Property of Louisiana State Police and Office of State Fire Marshal, we performed procedures to determine if assets were timely tagged and accurately recorded as required by state property regulations. We also reviewed expenditure transactions to identify unrecorded assets. Based on the results of our procedures, a repeat finding titled Weaknesses in Controls over Property of the Office of State Police and Office of State Fire Marshal is included in the Current-year Findings section of this report.

LaCarte Purchasing Card Expenditures

DPS participates in the state of Louisiana’s LaCarte Purchasing Card program for general office supplies and administrative expenses. To follow-up on the prior-year finding related to

Noncompliance with State Purchasing Regulations, we analyzed LaCarte card transactions included on the billing statements for October 7, 2020, through January 5, 2021, for OSP and OSFM. We reviewed selected IT-related transactions to ensure that purchases complied with state purchasing regulations. We also analyzed LaCarte card transactions included on the billing statements for October 7, 2020, through June 30, 2021, for possible convenience fee charges. Based on the results of our procedures, OSP and OSFM did not ensure that purchases made with the LaCarte card were in accordance with certain state purchasing regulations, and a finding on Noncompliance with State Purchasing Regulations is included in the Current-year Findings section of this report.

Payroll

DPS salaries and related benefits totaled approximately \$295 and \$312 million, respectively, in fiscal years 2020 and 2021. To follow-up on the prior-year finding related to Lack of Adherence to Controls over Payroll, we analyzed system reports for the time period of August 22, 2020 through May 16, 2021 for OMV and July 1, 2020 through April 4, 2021 for OSFM to determine the timeliness of employee certifications and approvals of employee time sheets. Based on the results of our procedures, a finding titled Lack of Adherence to Controls over Payroll is included in the Current-year Findings section of this report.

Statutory Dedications

Liquefied Petroleum Gas Commission Rainy Day Fund

The Liquefied Petroleum Gas Commission Rainy Day Fund includes fees, penalties and interest, and other revenues received by the Commission for annual permits, registrations, and personnel qualifications related to the storage, sale, and transportation of liquefied petroleum gases over the highways of the state, the installation of tanks or systems for the use of liquefied petroleum gases, and the installation and use of liquefied petroleum gas appliances. Monies in the fund are used for Commission administration expenses.

We performed procedures on the fund to determine that fees collected were deposited timely as required by state law. Based on the results of these procedures, we determined that the Commission is timely depositing fees.

Concealed Handgun Permit Fund

The Concealed Handgun Permit Fund was established for fees and fines assessed by OSP related to the processing and issuance of concealed handgun permits to qualified applicants. Monies in the fund are used for administration of the concealed handgun permit process and for special law enforcement initiatives.

We performed procedures to determine that OSP is adequately collecting and accounting for the established fees and expending the funds in accordance with the relevant revised statutes. Based on the results of our procedures, we determined that OSP has collected fees in accordance with the established fee schedule and has expended funds for the purposes outlined in the revised

statute. However, our procedures determined that OSP is not timely depositing the fees collected as required by state law. A finding titled *Untimely Deposit of Fees for the Concealed Handgun Permit Fund* is included in the Current-year Findings section of this report.

Public Safety DWI Testing, Maintenance, and Training Fund

The DWI Testing, Maintenance, and Training Fund is a statutorily dedicated fund for the fees received by OSP for blood, breath, or urine analysis in which OSP performed the test or participated. Monies in the fund are used to support the activities of OSP in executing its responsibilities in the purchase and maintenance of equipment and supplies for use in breath, blood, or urine analysis; training in the maintenance and usage of testing equipment; other such related expenses as may be necessary in the efficient and effective administration of those duties; and for special law enforcement initiatives.

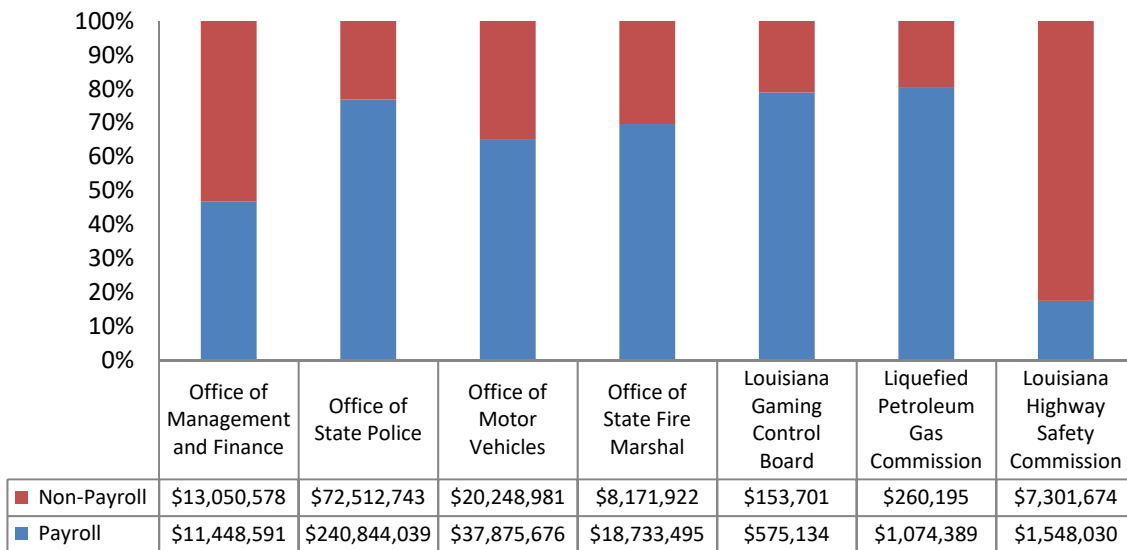
We performed procedures to determine that OSP is adequately collecting and accounting for the established fees and expending the funds in accordance with the relevant revised statutes. Based on the results of our procedures, we determined that OSP has collected and expended the fees collected in accordance with the relevant revised statutes.

Trend Analysis

We compared the most current and prior-year financial activity using DPS's Annual Fiscal Reports and/or system-generated reports and obtained explanations from management for any significant variances. We also prepared an analysis of payroll to total expenditures for all DPS agencies as of June 30, 2021. As shown in Exhibit 1, due to the service nature of the agencies, payroll and related benefits account for the majority of expenditures of the department as of June 30, 2021.

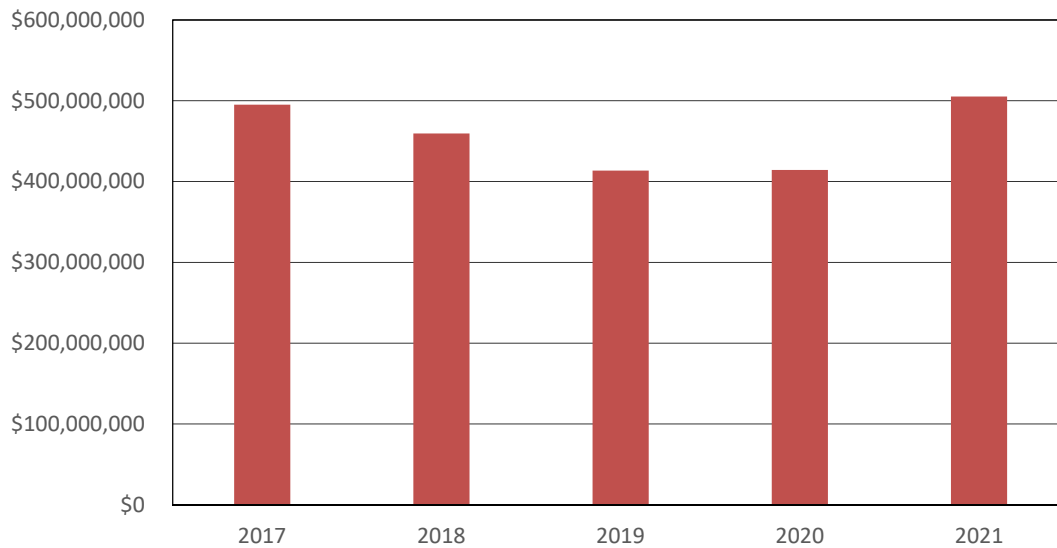
We also prepared an analysis of the OMV state sales tax revenue. As shown in Exhibit 2, sales tax revenues increased by approximately \$91 million, or 22%, from fiscal year 2020 to fiscal year 2021. The increase in OMV state sales tax revenues is due to the total volume of taxable transactions increasing from fiscal year 2020 to fiscal year 2021 by approximately 107,185, or 15%. In addition, the total taxable value of transactions on which state tax was paid increased by \$2.19 billion, and the average taxable value per transaction increased by \$794, or 5.5%, for fiscal year 2021.

Exhibit 1
Fiscal Year 2021 Payroll and Non-Payroll Expenditures by Agency



Source: ISIS 2G15 Reports as of 6/30/21 for all DPS agencies.

Exhibit 2
OMV State Sales Tax Revenue by Fiscal Year



Source: ISIS 4G33 reports for OMV for each fiscal year

Other Report

On November 17, 2021, the Louisiana Legislative Auditor issued an investigative report on the Office of State Fire Marshal. The audit found that a former OSFM employee used his position to improperly direct state funds totaling \$846,140 to companies doing business with or on behalf of the employee's brother from August 30, 2020, to April 29, 2021. The audit also found that some items were purchased using the former employee's and family members' personal funds and billed to OSFM at excessive rates. In addition, the companies diverted funds totaling \$397,546 to the employee's brother's law firm as "Legal Fees," "Legal Services," or "Attorney Fees," which then distributed the funds to personally benefit and/or reimburse the employee, family members, and others. This report is available on the Louisiana Legislative Auditor's website.

The recommendations in this letter represents, in our judgment, those most likely to bring about beneficial improvements to the operations of DPS. The nature of the recommendations, their implementation costs, and their potential impact on the operations of DPS should be considered in reaching decisions on courses of action. The findings related to DPS's compliance with applicable laws and regulations should be addressed immediately by management.

Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

CB:NМ:RR:ЕFS:aa

DPS-PSS2021

APPENDIX A: MANAGEMENT'S RESPONSES



State of Louisiana

Department of Public Safety and Corrections
Public Safety Services

October 8, 2021

Louisiana Legislative Auditor
Michael J. "Mike" Waguespack, CPA
P.O. Box 94937
Baton Rouge, La. 70804

Dear Mr. Waguespack,

Audit Finding: Lack of Adherence to Controls over Payroll

Please accept this letter as the Office of Motor Vehicles (OMV) official response to the reportable audit finding regarding lack of adherence to control over payroll.

The agency concurs with this finding. A thorough review of the audited files indicate the majority of the errors were due to new management and their lack of understanding of the importance of adhering to the agency policy regarding payroll controls.

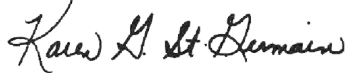
As a corrective measure the agency published an OMV policy specific to OMV timekeepers regarding payroll controls that is now inclusive of possible disciplinary action for failure to follow these stricter guidelines.

In addition, the agency will be publishing an OMV timekeeper video regarding payroll controls for all OMV management in an effort to further illustrate "the how" and "the why" of payroll control policy adherence. The goal is to provide our seasoned timekeepers along with any new timekeepers with an additional tool in their toolbox. The agency anticipates the video will be available January 2022.

I feel it is important to note that OMV, along with all state government agencies, has endured the impacts of a mass pandemic and unprecedented weather anomalies. We have several offices that are still closed due to storm related damages from August 2020. We have endured random office closures due to COVID-19 outbreaks. Although this does not excuse these notable findings, it does lend to the reasoning of the occurrences.

The corrective action plan has been implemented. The employee responsible for this corrective action plan is Staci Hoyt, OMV Deputy Commissioner. If any additional explanation is necessary regarding this action plan, she can be reached via phone at 225.925.4656 or staci.hoyt@la.gov.

Sincerely,



Karen G. St. Germain

Commissioner, Office of Motor Vehicles

C: Colonel Lamar Davis, Deputy Secretary
LTC Doug Cain, Chief of Staff
Staci Hoyt, OMV Deputy Commissioner

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LOUISIANA DEPARTMENT OF PUBLIC SAFETY & CORRECTIONS
PUBLIC SAFETY SERVICES



H. "BUTCH" BROWNING, JR.
STATE FIRE MARSHAL

OFFICE OF STATE FIRE MARSHAL

October 8, 2021

Nicole Martin
Manager
LA Legislative Auditor
1600 N. Third Street
Baton Rouge, LA 70804

RE: OSFM Payroll Audit Response

Ms. Martin:

The Louisiana Legislative Auditor's Office (Auditor) conducted an audit of Office of State Fire Marshal (OSFM) payroll system reports for the period of July 1, 2020 through April 4, 2021, which included the review of 3,166 timesheets.

Bullets #3 and #4: This OSFM has not conducted an independent review of the 3,166 timesheets reviewed and, therefore, cannot concur with nor deny the specific findings of the Auditor. However, the OSFM accepts the findings and responds as follows. During the period of time reviewed by the Auditor, this office was engaged in unprecedented emergency response activities which included: Tropical Storm Cristobol (6/7/2020); Hurricane Marco (8/24/2020); Hurricane Laura (8/27/2020); Hurricane Delta (10/9/2020); Hurricane Zeta (10/28/2020); the North Louisiana Freeze (2/2021) and COVID-19 response. The OSFM is an emergency response agency and requires our staff to work extremely long hours and in less than ideal conditions as we respond to these disasters in response, rescue, recovery, or building assessment capacities. Access to technology may not always be immediately available. Ultimately, these circumstances may have negatively affected payroll functions and their timeliness.

Having said that however, the OSFM supports the addressing of this issue. In the past, informative emails have been sent to employees/approvers to remind them to certify/approve time entries. Due to the findings in the audit and in an effort to ensure compliance, the following will be implemented effective this pay period (PP#21):

1. Emails will be sent on Tuesdays and Wednesdays following pay period end (week 1 of the next pay period) to remind employees to certify/approve payroll entries. Also included in the emails will be the CATS policy, as well as the payroll process.

2. Every effort will be made to access the Zp241 report on Wednesday afternoons to identify those employees that have not certified/approved payroll entries and those persons will be instructed to finalize entries by the deadline.
3. Emails will continue to be sent to timekeepers to remind them of their payroll duties (reviewing time entries, running reports etc.).
4. Internal, monthly random audits may be conducted as necessary.

Sincerely,

A handwritten signature in blue ink, appearing to read 'HBB', with a horizontal line extending to the right.

H. "Butch" Browning
State Fire Marshal

HBB/esc



JOHN BEL EDWARDS
GOVERNOR

LAMAR A. DAVIS, COLONEL
DEPUTY SECRETARY

State of Louisiana
Department of Public Safety and Corrections
Public Safety Services

September 29, 2021

Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Mr. Waguespack,

This is in response to the recent movable property audit of the Louisiana State Police (LSP) conducted by your agency. LSP property custodians manage over 24,000 pieces of movable property. The Department of Public Safety and more particularly LSP is committed to managing its movable property assets in accordance with the Louisiana Administrative Code, Title 34, Part VII, Property Control, and we view this audit as a means to identify those areas which need improvement.

Before we address each finding, we believe it is important to address some of the obstacles DPS property custodians faced over the past year. In 2020, Louisiana had five named tropical systems strike Louisiana, (Cristobal, Marco, Laura, Delta, and Zeta). Of these, Laura and Zeta were major hurricanes that required substantial and extended response from LSP. On top of these devastating storms, LSP had to navigate and attempt to keep our personnel safe from COVID-19 exposure. Unfortunately, it was not possible to telecommute our personnel due to emergency response needs.

The conversion to the LaGov property management system, which lasted well into 2020 and 2021, required LSP to incorporate a number of changes to its movable property inventory process. These changes included providing an electronic platform for movable property requests and report submissions, and streamlining the property transfer and surplus process. Our administration is exploring the concept of once again centralizing property and purchasing. The centralization of property will prevent the loss and misplacement of property, and drive consistency. We are confident these changes will strengthen the Department's management of movable property in the future.

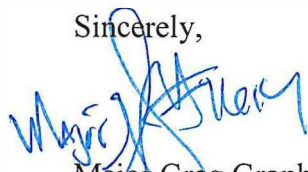
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As requested, you will find a response to each specific audit finding in the subsequent attachments. If you have additional questions, please contact Captain David Stelly at 225-925-4551 or david.stelly@la.gov.

Sincerely,



Major Greg Graphia
Louisiana State Police
Command Inspector, Support Services-DPS Police

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JOHN BEL EDWARDS
GOVERNOR

LAMAR A. DAVIS, COLONEL
DEPUTY SECRETARY

State of Louisiana
Department of Public Safety and Corrections
Public Safety Services

September 29, 2021

Nicole W. Martin, Audit Manager
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: LSP Audit Finding, Property Not Entered in the Specified Time Frame

Ms. Martin:

The Louisiana State Police remains committed to ensuring all personnel responsible for the oversight of movable property comply with the provisions set forth in the Louisiana Administrative Code, Title 34, Part VII, Property Control. During a review of LSP property procedures, LLA personnel identified nine movable property items that were not entered into the LaGov property management system within sixty days of acquisition. Below is my response to these discrepancies.

Description	LaGov PCN	Cost	Section Responsible	Purchase Date
Unmanned Drone	500181596	\$3,489.00	SVU/ISS	12.22.20
Tire Changer Machine	500183083	\$1,368.99	TRAINING ACADEMY	2.25.21
Ice Machine	500188163	\$3,549.60	TROOP D	5.7.21
Cellular Boosters	500188236	\$1,199.00	CRIME LAB	5.7.21
Projector	500188003	\$2,065.34	TROOP B	5.4.21
Side by Side Trailer	500187941	\$2,295.15	MOBILE FIELD FORCE	5.3.21
Press Conference Backdrop	500188004	\$1,061.76	PUBLIC AFFAIRS	5.4.21

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- I concur with your finding that the above items were not entered into the LaGov system within 60 days. The tire machine, ice machine, and cellular boosters were not tagged because the property custodians felt that these items would never be transferred or moved. They have since been tagged. These items were purchased while our Department was mitigating COVID-19, when numerous employees were either telecommuting or out sick. In response to last year's corrective action, a movable property database was created to allow for a centralized location of property management. LSP continues to expand on this database and move forward with the property portal. No corrective action plan is needed as we continue to work on and improve our processes.

Description	LaGov PCN	Cost	Section Responsible	Purchase Date
Genetic Analyzer	500187795	\$192,374	CRIME LAB	4.29.21

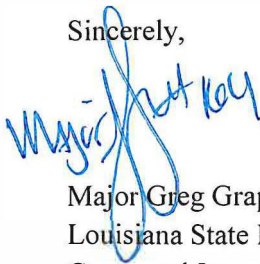
- I concur with your finding that the above item was not entered into the LaGov system within 60 days. This highly specialized instrument is specifically used by our Crime Lab and will never be transferred to another section or an individual. The property custodian assigned to the Crime Lab felt that this device was part of the building and did not need to be tagged, as it would never be transferred. Upon notice from the Legislative Auditor, the item was entered into LaGov. A corrective action plan is not necessary as this situation has been resolved.

Description	LaGov PCN	Cost	Section Responsible	Purchase Date
K9 Kennel	None	\$1,895.00	TROOP F	8.11.21

- I concur with your finding that the above item has not been entered into the LaGov system as of this letter. This kennel was purchased to house the K9 assigned to Troop F. It was not tagged because the property custodian believed this was not considered movable property. This information was relayed to LLA personnel, who disagreed and stated the kennel must be tagged. According to the purchase date referenced by LLA personnel, LSP has until 10.11.21 to enter the kennel into LaGov. A corrective action plan is not necessary as has been completed.

If you have additional questions, please contact Captain David Stelly at 225-925-4551 or david.stelly@la.gov

Sincerely,



Major Greg Graphia
Louisiana State Police
Command Inspector, Support Services-DPS Police

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LOUISIANA DEPARTMENT OF PUBLIC SAFETY & CORRECTIONS
PUBLIC SAFETY SERVICES



H. "BUTCH" BROWNING, JR.
STATE FIRE MARSHAL

OFFICE OF STATE FIRE MARSHAL

DATE: October 4, 2021
TO: Legislative Auditor
FROM: H. "Butch" Browning
State Fire Marshal
RE: Audit Response

The Louisiana Legislative Auditor's Office (Auditor) conducted an audit of property housed within the Office of State Fire Marshal (OSFM) for the period of July 1, 2020 through February 28, 2021. Eight items totaling \$12,119.44 were not entered into the LaGov property system within 60 days of acquisition. Please see the OSFM's response to the Auditor's findings below:

Bullet #2: Concur with clarification. The OSFM believes it is necessary to clarify the conclusion of the legislative auditor. As of August of 2021, Lieutenant L. Claiborne was given access to the monthly LaCarte Purchase Report. This report will allow her to review all purchases made by the OSFM employees specifically as it relates to moveable property items with an acquisition cost of \$1000.00 or more. The OSFM believes that with the implementation of this new procedure, there will be a significant reduction in delays and tagging/LaGov entry failures.

1. WESTERN SHELTER SYSTEMS - \$2282.16 - (2) Power distribution blocks – The purchase of these items occurred during an active hurricane emergency response.
2. FERRARA FIRE APPARATUS - \$1,741.35 - Control Panel - equipment for the SFM USAR truck – The purchase of this items occurred during an active hurricane emergency response.
3. MIKE WARDS LIBERTY SAFES - \$2,611.55 - Purchased a safe for the evidence room.
4. AMAZON - \$1329.00 - Commercial shredder purchased for Administration.
5. OPTIPLEX 7070 Tower - \$2949.56 - (2) Dell Desktop – Purchased via URAC
6. OPTIPLEX 7080 TOWER – \$1362.22 - Dell Desktop – Purchased via URAC

Additionally, the Legislative Auditor suggests establishing centralized receiving locations to avoid tagging/reporting failures in the future. However, it is the understanding of this Office that the use of the LaCarte "Purchasing Card" (P-card), as presented by the Division of Administration, was an effort to move away from centralization and to enable employees to purchase approved items with the convenience of a credit card, while maintaining control over the purchases. It was further understood that the use of the P-card would improve efficiency and effectiveness by reducing costs associated with processing purchases and payments and would allow receipt of goods in a timely manner. The establishment of centralized locations would be a step away from this P-card process and procedure and possibly necessitate the hiring of additional personnel to process and deliver purchases and could increase wait times for receipt of items. It is our hope that the implementation of the LaCarte report review procedure by the property custodian will accomplish the same outcome, proper reconciliation, without delaying the receipt of necessary items, without creating an economic impact, and without compromising the purpose and integrity of the P-card.

Sincerely,

A handwritten signature in blue ink, appearing to read "H. Browning", with a horizontal line extending to the right.

H. "Butch" Browning
State Fire Marshal

HBB/esc



JOHN BEL EDWARDS
GOVERNOR

LAMAR A. DAVIS, COLONEL
DEPUTY SECRETARY

State of Louisiana
Department of Public Safety and Corrections
Public Safety Services
November 4, 2021

Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: LSP Audit Findings, Unapproved Purchases

Mr. Waguespack,

This is in response to the recent audit of the Louisiana State Police (LSP) conducted by your agency. The Department of Public Safety (DPS) is committed to managing our purchasing program by adhering to all purchasing rules and regulations. Additionally, we view this audit as a means to identify areas that need improvement.

Of the findings provided to Louisiana Department of Public Safety (DPS) concerning technology purchases, we feel that one should not be considered a violation. The purchase was for hardware technology to be used in direct support of criminal investigations. Eight were misunderstandings in the purchasing process, seven of which were printers. Each person that purchased a printer believed that a printer was exempt from being purchased through Office of Technology Services (OTS). These individuals were advised that printers were not exempted and that future printers should be purchased through OTS. The eighth purchase was a computer peripheral and the purchaser did not realize those needed to be purchased through OTS. There were two purchases of forensic software. The section that purchased the software believed that current letters of delegation from OTS existed; when in fact they did not. This section was advised that unless current letters of delegation existed, those purchases needed to be made through OTS. The audit also addressed 27 purchases made by our satellite training facility. We concede that the purchases were not in compliance and we have taken steps to familiarize the purchaser with the policy guidelines. We are confident these are isolated unapproved purchases and additional training will strengthen the Department's purchasing program.

As requested, you will find a response to each specific audit finding in the subsequent attachments. If you have additional questions, please contact me at david.stelly@la.gov.

Sincerely,

David Stelly Digitally signed by David Stelly
Date: 2021.11.04 07:09:14
-05'00'

Captain David Stelly
Louisiana State Police
Commander, Technology and Business Support

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JOHN BEL EDWARDS
GOVERNOR

LAMAR A. DAVIS, COLONEL
DEPUTY SECRETARY

State of Louisiana
Department of Public Safety and Corrections
Public Safety Services
November 4, 2021

Nicole W. Martin, Audit Manager
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: LSP Audit Finding, Unapproved Purchases

Ms. Martin,

The Louisiana State Police (LSP) remains committed to ensuring all personnel adhere to purchasing rules and regulations. During a review of LSP property procedures, Louisiana Legislative Auditor (LLA) personnel identified 11 purchases that were unapproved and should have been completed by the Office of Technology Services (OTS). Below is my response to these discrepancies.

Description	Cost	Section Responsible	Purchase Date
Forensic Software	\$1,995.00	BOI/ Special Investigations	12/16/2020
Forensic Software	\$2,899.00	BOI/Special Investigations	11/30/2020

- I concur with the finding that these purchases were unapproved and should have been purchased by OTS. Historically, our Technical Services Unit (TSU) obtained a Letter of Delegation from OTS for these purchase types. However, when the purchases were made the letter(s) had expired. I have spoken to the team leader of TSU and reinforced that unless they are in possession of a current Letter of Delegation, these purchase types need to be through OTS.

Description	Cost	Section Responsible	Purchase Date
Printers	\$415.99	Troop D	11/12/2020
	\$1,479.86	CID – Region I	11/09/2020
	\$599.99	Troop L	11/09/2020
	\$199.98	Troop B	12/07/2020

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Printers	\$1,799.90	TESS	12/03/2020
	\$199.98	CID – Region III	11/16/2020
	\$359.78	TESS	11/09/2020
External DVD Drives	\$127.96	Crime Lab	01/04/2021

- I concur with your finding that the above listed items should have been purchased through OTS. Each section was contacted and each section said that they were under the impression that printers did not need to be purchased through OTS. The sections were informed that the printers must be purchased through OTS and there are no exemptions at present.
- One section, Troop L, stated that their purchase was an emergency due to an assignment that was immediately due. They were instructed that there are multiple other ways that a document may be printed such as a jump drive, email, etc. For future purchases, each section has been notified that the purchase of a printer must go through OTS.

Description	Cost	Section Responsible	Purchase Date
Undercover Laptops	\$2,189.94	Technical Support	11/18/2020

- I do not concur with the finding that the undercover laptops needed to be purchased through OTS. LSP handles criminal investigations that are extremely sensitive. There are times when computers will be required for covert and/or confidential investigative purposes, to include but not limited to, controlled contraband purchases, bait operations, surveillance, cyber security, and computer forensics. These machines must be completely devoid of any reference to law enforcement, public safety, or government. Knowledge of the existence and/or identity of these machines must remain extremely restricted for officer safety and mission success reasons.

During a review of LSP purchasing procedures, LLA personnel identified 27 purchases items that incurred credit card fees. Below is my response to these discrepancies.

Description	Cost	Section Responsible	Purchase Date
Food / Produce	\$53.05	Training Academy JESTC	10/12/2020
Food / Produce	\$11.72	Training Academy JESTC	10/15/2020
Food / Produce	\$7.70	Training Academy JESTC	10/21/2020
Food / Produce	\$24.60	Training Academy JESTC	10/23/2020
Food / Produce	\$52.59	Training Academy JESTC	11/13/2020
Food / Produce	\$5.74	Training Academy JESTC	11/20/2020
Food / Produce	\$61.04	Training Academy JESTC	12/7/2020
Food / Produce	\$9.56	Training Academy JESTC	12/10/2020
Food / Produce	\$22.79	Training Academy JESTC	12/14/2020

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Food / Produce	\$21.52	Training Academy JESTC	1/11/2021
Food / Produce	\$35.34	Training Academy JESTC	1/26/2021
Food / Produce	\$18.21	Training Academy JESTC	2/1/2021
Food / Produce	\$28.75	Training Academy JESTC	2/10/2021
Food / Produce	\$47.40	Training Academy JESTC	3/8/2021
Food / Produce	\$41.76	Training Academy JESTC	3/17/2021
Food / Produce	\$20.25	Training Academy JESTC	3/29/2021
Food / Produce	\$28.82	Training Academy JESTC	4/12/2021
Food / Produce	\$6.67	Training Academy JESTC	4/20/2021
Food / Produce	\$39.85	Training Academy JESTC	4/26/2021
Food / Produce	\$35.90	Training Academy JESTC	5/11/2021
Food / Produce	\$17.33	Training Academy JESTC	5/19/2021
Food / Produce	\$31.47	Training Academy JESTC	5/21/2021
Food / Produce	\$9.72	Training Academy JESTC	5/26/2021
Food / Produce	\$23.25	Training Academy JESTC	6/2/2021
Food / Produce	\$26.11	Training Academy JESTC	6/8/2021
Food / Produce	\$22.80	Training Academy JESTC	6/21/2021
Food / Produce	\$34.93	Training Academy JESTC	6/28/2021

- I do concur with your findings that the purchases were not in compliance with the current State Lacarte Card Purchasing Policy. One LSP employee used the LaCarte Card to make recurring purchases that included card usage fees. The employee cited a lack of vendors in the area for this particular product category as well as timeliness of payments to avoid late fees; both of which are enumerated as rare and extenuating circumstances per the State's LaCarte Purchasing Card Policy. However, the employee did not ensure that the policy guidelines were met before moving forward with the purchases. LSP will ensure the cardholder understands the State policy to avoid future violations.

If you have additional questions, please contact me at 225-925-4551 or david.stelly@la.gov.

Sincerely,

Captain David Stelly
Louisiana State Police
Commander, Technology and Business Support

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JOHN BEL EDWARDS
GOVERNOR

LOUISIANA DEPARTMENT OF PUBLIC SAFETY & CORRECTIONS
PUBLIC SAFETY SERVICES

OFFICE OF STATE FIRE MARSHAL



H. "BUTCH" BROWNING, JR.
STATE FIRE MARSHAL

October 8, 2021

Nicole Martin
Manager
LA Legislative Auditor
1600 N. Third Street
Baton Rouge, LA 70804

RE: OSFM LaCarte Audit Response (#80210043)

Ms. Martin:

The Louisiana Legislative Auditor's Office (Auditor) conducted an audit of Office of State Fire Marshal (OSFM) LaCarte card purchases during the time period of October 7, 2020 through January 5, 2021. Our response is as follows:

Response to Bullet 1 regarding OSFM: The OSFM concurs with this finding. Our action plan is to consistently send out reminders regarding which property can be purchased by OSFM and property is required to go through OTS. Any purchases that are completed improperly, will be returned. Additionally, we are now requiring employees to complete a LaCarte purchase approval form prior to purchases over \$500. This will also assist in assuring proper purchasing takes place.

Respectfully,

H. "Butch" Browning
LA State Fire Marshal



JOHN BEL EDWARDS
GOVERNOR

Lamar A. Davis, COLONEL
DEPUTY SECRETARY

State of Louisiana
Department of Public Safety and Corrections
Public Safety Services

October 12, 2021

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

Re: Untimely Deposit of Fees for the Concealed Handgun Permit Fund

The Department concurs with this finding as it is evident the fees were deposited untimely in accordance with Louisiana Revised Statute 40:1379.3.1(B). However, the Department also contends the reasonableness and practicality of the requirement for deposits to be made "immediately" as it pertains to applicant payments for Concealed Handgun Permit (CHP) applications is not practical. Also, it should be noted that the audit period in question, July 1, 2020 thru April 30, 2021, occurred during a time where the staff and processes were impacted by the mitigation efforts associated with COVID-19, thus affecting the timeliness in processing applications.

A Concealed Handgun Permit application received by mail may or may not include the requisite money order or cashier's check. Once the applications from the mail are opened, they are reviewed for accuracy and completeness. If the application has errors, incomplete information, or lacking the proper attachments, the application and fees are mailed back to the applicant for corrections and resubmittal. Once an application is received and is "complete," they are entered into the CHP database. Application entry is a manual entry of data from the application and is time-consuming based upon each application and a fluctuating backlog of applicants. Some applications aren't entered on the same day as they are received due to staffing levels, the volume of applications received, or the number of applications pending entry from prior days. The fees are only submitted for deposit once the complete application has been entered into the CHP database. Although COVID-19 mitigation measures contributed to the delay in processing some payments, we

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recognize our processes need to be revised to ensure we meet the requirements of Louisiana Revised Statute 40:1379.3.1(B).

See below for the proposed Corrective Action Plan:

1. Name of contact person and title: Lt. Jared Sandifer
2. Anticipated completion date: 12/31/2021
3. Corrective Actions
 - 3.1. Develop policies, procedures, and processes that ensure permit fees are deposited timely per Louisiana Revised Statute 40:1379.3.1(B).
 - 3.2. Distribute policies and procedures on the handling of fees to CHP staff.
 - 3.3. Train staff on the new policies, procedures, and processes.
 - 3.4. Conduct internal reviews of deposits to ensure fees are being deposited timely

Very Respectfully,

Capt. Jonas T Martin #2031

Captain Jonas T Martin, Commander
Louisiana State Police
Bureau of Criminal Identification and Information – LCJIS
7919 Independence Blvd.
Baton Rouge, LA 70806
Office: 225-925-4935

APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at the Department of Public Safety and Corrections – Public Safety Services (DPS) for the period from July 1, 2020, through June 30, 2021, to provide assurances on financial information significant to the State of Louisiana’s Annual Comprehensive Financial Report, and to evaluate relevant systems of internal control in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures, summarized below, are a part of the audit of the Annual Comprehensive Financial Report for the year ended June 30, 2021.

- We evaluated DPS’s operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to DPS.
- Based on the documentation of DPS’s controls and our understanding of related laws and regulations, we performed procedures to provide assurances on certain account balances and classes of transactions to support our opinions on the Annual Comprehensive Financial Report.
- We compared the most current and prior-year financial activity using DPS’s Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from DPS’s management for significant variances.

In addition, we performed procedures on capital assets, LaCarte Purchasing Card expenditures, payroll, and certain statutory dedications. The scope of these procedures was significantly less than an audit conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

The purpose of this report is solely to describe the scope of our work at DPS, and not to provide an opinion on the effectiveness of DPS’s internal control over financial reporting or on compliance. Accordingly, this report is not intended to be, and should not be, used for any other purposes.

We did not audit or review DPS’s Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. DPS’s accounts are an integral part of the state of Louisiana’s Annual Comprehensive Financial Report, upon which the Louisiana Legislative Auditor expresses opinions.