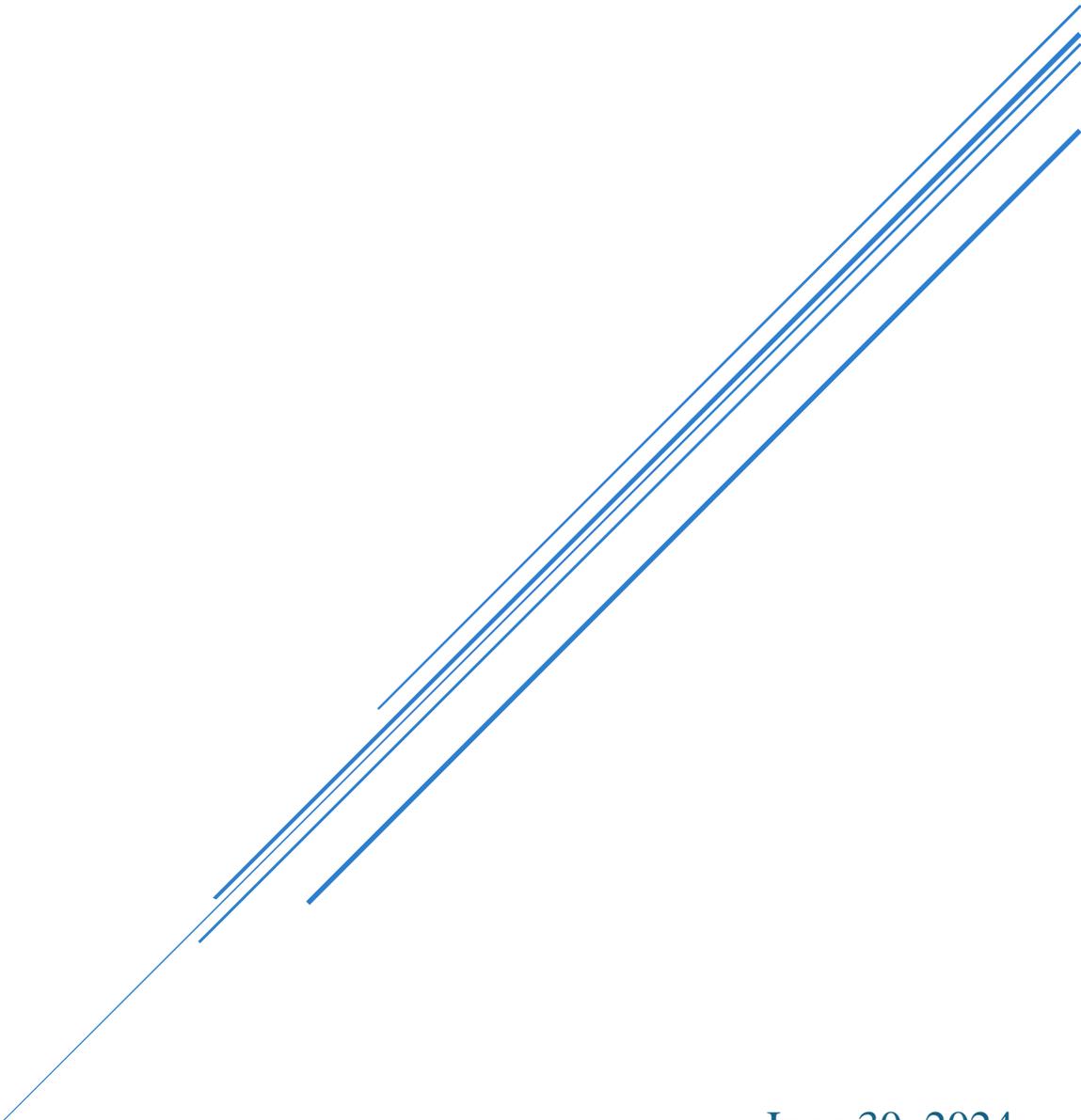


CATAHOULA CORRECTION CENTER TRANSITIONAL WORK RELEASE PROGRAM (TWP)

Agreed Upon Procedures (AUP)



June 30, 2024

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

December 9, 2024

To the Management of Catahoula Correction Center,
And the Department of Public Safety & Corrections,
State of Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Catahoula Correction Center and the Department of Public Safety & Corrections, State of Louisiana (DPS&C), solely to assist the users in evaluating management's assertions about Louisiana Workforce, LLC's compliance with the Catahoula Corrections Transitional Work Program facility's fiduciary duty in managing and safeguarding Offender Trust Accounts in conformity with Standard Operating Procedures issued by the Department of Public Safety and Corrections for the fiscal year ended June 30, 2024. Catahoula Correction Center's management is responsible for its financial records and compliance with applicable laws and regulations.

Catahoula Correction Center has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the Department of Public Safety & Corrections, State of Louisiana (DPS&C). 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.

The procedures and associated findings are as follows:

1. Verify the TWP facility has formally updated policies and procedures in place governing the program to ensure compliance with the DPS&C Standard operating procedures for Transitional Work Programs (SOP).

Verified the Catahoula Correction Center TWP facility has formal updated policies and procedures in place noting no exceptions.

2. DPS&C defined \$1,000 as a reasonable minimum goal for offenders to save prior to release.
 - a) Determine whether the TWP facility has implemented policies to set limitations and/or spending limits on offender weekly draws or purchases from canteen/commissary

operations to encourage the offender to maximize the opportunity to accumulate savings prior to release date.

Determined that Catahoula Correction Center TWP facility has implemented policies regarding the functions noted above.

- b) Document the number of offenders in the AUP Report who have been released from the TWP with at least \$1,000 of savings during this fiscal year.

Catahoula Correction Center had one release this fiscal year. The offender had less than \$500.00.

- 3. Obtain a copy of the most recent bank signature card(s) for the TWP Offender Trust Account and test the following:

- a) Verify all funds held in trust for the TWP offenders at the facility are maintained in one bank account at one financial institution.

All TWP funds shall be kept as a whole in one bank account and not separated into multiple bank accounts. TWP may not have:

- multiple bank accounts at a single financial institution;
- multiple bank accounts at multiple financial institutions;
- a single bank account at multiple financial institutions.

The TWP may have a separate commissary account listed on the general ledger within their accounting system; however, it cannot be a separate bank account.

No exceptions noted.

- b) Verify the account has at least 2 authorized signers who are current employees/legal stakeholders of the TWP facility.

No exceptions noted.

- 4. Obtain a copy of the TWP's employee theft/commercial crime insurance policy and verify its coverage meets the following minimum criteria:

- a) Includes the Offender Trust Account;
- b) Includes all employees handling cash & cash equivalents; and
- c) The coverage amount (either per occurrence or a stated maximum) is not less than 36% of the annual (FYE) gross deposits into the Offender Trust Account from all sources.

Exception: CCC did not have any insurance policy coverage for theft on employees handling cash.

5. Document TWP staff (meaning, name, title, job function).

TWP staff documented.

6. Determine whether duties of the staff have been segregated properly to mitigate cash handling risks and to maintain proper controls over the management of the Offender Trust Account.

Exception: Both employees handle cash receipts and reconcile accounts.

7. Document compensating controls for duties/functions not segregated properly to mitigate associated risks.

One employee should handle cash receipts and the other should reconcile. Employees cannot handle cash receipts and reconcile accounts. This is a high-risk factor for Catahoula Correction Center to lose money.

8. Obtain a general understanding of the accounting system(s)/database (QuickBooks,Excel) used to maintain offender financial records for the TWP Offender Trust Account.

A general understanding of the accounting system/database used to maintain offender financial records for Catahoula Correction Center TWP Offender Trust Account was obtained.

9. Determine whether the following controls have been implemented and are functioning properly to mitigate associated risks (fraud, change control, data integrity):

- a) Use of individual user ids and passwords on each system/database
- b) Audit trail functionality to capture changes of data within the system/database
- c) Frequent backups (daily or weekly) of system/database information to a secure server/off-site/iCloud
- d) If more than 1 (one) system/database is used, verify reconciliation between the systems is performed at least monthly.

Exception: The software used (Vault) does not have an audit trail functionality within the system.

10. Randomly select 1 month in each quarter of the fiscal year to test in detail. For each month selected, obtain:

- a) The Offender Trust Account Monthly Fiscal Package

- b) System-generated, detailed reports supporting amounts reported on Lines 2-5 of Form PS-D-3-SOP-17-1B.

No exceptions noted. Controls appear to be functioning properly to mitigate associated risks.

11. For each month selected:

- a) Recalculate the Offender Trust Account's reconciled bank balance and verify it agrees with the amount reported on Line 1 of Form PS-D-3-SOP-17-1B. Document the number of months with exceptions in the AUP Report.
- b) Test the accuracy of the amounts reported on Lines 2-5 of Form PS-D-3-SOP-17-1B by recalculating the amounts and tracing them to the system-generated reports re-run in Step 10(b) above. Document the number of months with exceptions in the AUP Report.
- c) Verify the offender Trust Account is not:
 - i. A "sweep account" or used in conjunction with a "sweep account"
 - ii. Co-mingled with other funds (seized contraband, trustee/non-TWP offender money)
 - iii. Used for other purposes (operational expenses)

No exceptions noted.

12. Obtain a list of all TWP DPS&C offenders housed at the TWP during the fiscal year.

A list of all TWP DPS&C offenders housed at Catahoula Correction Center were obtained for the fiscal year.

13. Stratify this population into the following 2 mutually exclusive groups based on the number of jobs held at a time by an offender during the year.

Group 1) Offenders who worked only one primary job at a time

Group 2) Offenders who worked both a primary and a secondary job

Offenders at Catahoula Correction Center in the TWP only held one job at a time.

14. Document the number of offenders in each group in the AUP Report.

Group 1) 28 Offenders

15. Select the LESSER of the following to obtain the files for and test in detail in Step 18:

- a) 25% of Group 1 and Group 2 or
- b) 25 total offenders randomly selected from Groups 1 & 2

**We obtained 7 offender files for review.
No exceptions noted.**

16. Document the total number of offenders to be tested in the AUP Report.

The number of offenders to be tested is as follows:

Group 1) 7 Offenders

Group 2) 0 Offenders

17. Group 2 will have additional testing in Step 19.

There were no offenders in Group 2 category.

18. For each offender in the sample selected, perform the following tests on at least 2 paychecks during the fiscal year. Expand testing to additional paychecks, if necessary, based on initial results. Document the number of exceptions for each test below in the AUP report.

a) Verify the following documents are in agreement pertaining to the offender's name, pay rate, pay amount, and date:

i. Paystub in the offender's file

No exceptions noted.

ii. Deposit on bank statement

No exceptions noted.

iii. Entry in accounting system records

No exceptions noted.

b) Verify payroll income is from an approved employer who:

i. Signed and "Employer Agreement"

No exceptions noted.

ii. Paid the offender by either direct deposit or a physical check; and

No exceptions noted.

iii. Withheld payroll taxes, when applicable.

No exceptions noted.

- c) Verify funds received were deposited daily or within 24 hours of receipt, with the exception of holidays and weekends.

No exceptions noted.

- d) Verify transactions were posted to individual offender ledgers and the accounting system within 2 business days.

No exceptions noted.

- e) Verify correct participation fee was deducted from the offender's pay.

No exceptions noted.

- f) Verify no advances/reimbursements were taken out of offender's paycheck to reimburse employer for work boots, convenience store purchases, etc. except for taxes and garnishments imposed by federal and/or state law or DPS&C policy.

No exceptions noted.

- g) Verify no commissary/canteen purchases, support for dependents, child support, or other debts, or weekly allowances were processed for an offender until \$200 minimum savings reached.

Exception: Two out of the 7 offenders had debits withdrawn with less than \$200 savings for child support payments.

- h) Determine whether the offender has maintained a minimum of \$200 in the account at all times during the year, once the balance exceeds \$200. If the balance fell below \$200, verify those exceptions have a justifiable reason documented in the offender's file.

Exception: Four out of the active 7 offender's files reviewed were below the \$200 savings for the year on several occasions due to room and board being paid out.

19. Randomly select 25% of offenders in Group 2 and verify the TWP job Coordinator has:

- a) Specifically identified the offender's Primary and Secondary jobs
- b) Documented the offender's acceptable performance of Primary job; and
- c) Eligibility for the Secondary job.

Document the number of exceptions for each test below in the AUP Report.

This does not apply to Catahoula Correction Center. The offenders are only in Group 1.

20. Obtain a list of offenders who were released, transferred, or returned during the fiscal year.

A list of Catahoula Correction Center TWP released/transferred/returned to DPS&C offenders during the fiscal year were obtained.

21. Select 25% in each category to test. Document the number tested in each category in the AUP Report.

The number of Offenders to be tested in each category is as follows:

Releases) 1
Transfers) 23

22. For all offenders released from the TWP, verify the following:

- a) The balance of their accounts was given to them immediately upon their release.
- b) Funds received after offender's discharge were mailed to the offender within 30 days of receipt
- c) Abandoned funds were remitted to the DPS&C after 90 calendar days.

Document the number of exceptions for each text below in the AUP Report.

No exceptions noted.

23. For offenders transferred to another TWP or local jail, including those transferred due to a TWP closing, verify the balance of their accounts was forwarded to receiving TWP/local jail within 14 calendar days of the offender's transfer.

No exceptions noted.

24. For offenders returned to DPS&C verify the balance of their accounts was forwarded to DSP&C within 7 days of the offenders return to DPS&C. Document the number of exceptions in the AUP Report.

No exceptions noted.

25. Determine whether:

- a) The Offender Trust bank account was closed within 90 days from the TWP closure date; and
- b) Seized contraband funds from the TWP offenders were forwarded to DPS&C Centralized Offender Banking within 14 days of the TWP closure date.

No exceptions noted.

26. Have TWP management complete Form PS-D-3A in Appendix VIII for each finding noted and include the form as an attachment to the AUP Report.

No exceptions noted.

We were engaged by Catahoula Correction Center to perform this agreed-upon procedures engagement and conducted our engagement in accordance with 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 management's assertions. 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 Catahoula Correction Center 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 Catahoula Correction Center management and the Department of Public Safety and Corrections, State of Louisiana, and is not intended to be and should not be used by anyone other than those specified parties.

Respectfully submitted,

The Vercher Group

December 9, 2024