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Report Highlights

Louisiana Workforce Commission

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Why We Conducted This Audit

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

What We Found

- As a result of our procedures over the Unemployment Insurance (UI) program, we identified the following deficiencies:
 - Weak Security Controls – LWC did not have adequate security controls over the Louisiana Wage and Tax System (LaWATS) and the UI mainframe. LWC has not established responsibilities for monitoring OTS employees with access to these systems to ensure they have a valid business need. Without adequate monitoring, LWC may be unable to detect unauthorized user access.
 - Inadequate Source Code Escrow Agreement – For the third consecutive audit, LWC's contract with Geographic Solutions, Inc. (GSI) lacks an adequate source code escrow agreement that would allow LWC to continue operations of the UI program if GSI can no longer provide services. Although LWC has drafted an addendum to the contract which would address this issue, GSI has not signed the addendum. As a result, LWC may not be able to use the source code in the event of GSI's contractual default.
- As a result of our procedures over the Workforce Innovation and Opportunity Act Cluster (WIOA) program, we identified the following deficiency:
 - Noncompliance with Subrecipient Monitoring Requirements - LWC did not adequately monitor the subrecipients of the WIOA Cluster programs for compliance with federal laws and regulations. Our procedures disclosed that on-site monitoring reviews were conducted for only five of the 15 subrecipients and these reviews related to 2017 program activity. In addition, LWC did not ensure that required audits were completed within nine months of the subrecipient's fiscal year-end.
- Financial information relating to the following accounts of LWC's Unemployment Trust Fund was materially correct, as adjusted: cash in the U.S. treasury, receivables, due to federal government, amounts held in custody for others, other current liabilities, assessments, use of money and property, and UI benefits.

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