

An Agreed-Upon Procedures Report on the  
**COASTAL PROTECTION AND  
RESTORATION AUTHORITY**  
**GULF OF MEXICO OIL SPILL RESTORATION**  
Issued September 19, 2018



**INSIDE**

- 1 INDEPENDENT ACCOUNTANT'S REPORT
- 4 BACKGROUND
- 5 MANAGEMENT'S RESPONSE

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LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

August 29, 2018

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

**MR. MICHAEL ELLISON, EXECUTIVE DIRECTOR  
COASTAL PROTECTION AND  
RESTORATION AUTHORITY**  
Baton Rouge, Louisiana

We performed the procedures enumerated below, which were agreed to by management of the Coastal Protection and Restoration Authority (CPRA), solely to confirm the sufficiency of documentation used to support expenditures submitted by CPRA during the period June 13, 2017, through June 30, 2018, and whether those expenditures complied with applicable federal and/or state laws and regulations. For the purpose of performing these agreed-upon procedures, no exceptions were reported for differences of \$10 or less. CPRA management is responsible for the completeness and accuracy of documentation for activities funded with Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act (RESTORE Act) dollars, National Resource Damage Assessment (NRDA) dollars, and National Fish and Wildlife Foundation (NFWF) settlement and/or grant dollars.

This agreed-upon procedures engagement was conducted in accordance with the applicable attestation standards established by the American Institute of Certified Public Accountants and the applicable attestation standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of CPRA management. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

**OVERALL RESULTS**

We evaluated the completeness and accuracy of 791 invoices submitted by CPRA totaling \$259,049,716. As a result of our analyses, we noted exceptions totaling \$1,453,021 (< 1%) in 142 invoices. The following table presents a breakdown of the exceptions and resolutions by finding type.

Exceptions by Finding Type				
Finding Type	Number of Occurrences	Exception Amount	Exceptions as a Percent of Total Analyzed (\$259,049,716)	Resolved Amount
Out of Scope	2	\$13,665	< 0.01%	\$13,665
Lack of Support	124	1,418,665	0.55	1,418,286
Procurement not Documented	16	20,691	< 0.01	20,691
Incorrectly Classified/Recorded	0	0	0.00	0
Unnecessary/Unreasonable Change Orders	0	0	0.00	0
<b>Total</b>	<b>142</b>	<b>\$1,453,021</b>	<b>&lt; 1%</b>	<b>\$1,452,642</b>

The following procedures and findings provide additional detail about the exceptions and resolved amounts based on five finding types: *Out of Scope*, *Lack of Support*, *Procurement not Documented*, *Incorrectly Classified/Recorded*, and *Unnecessary/Unreasonable Change Orders*.

**PROCEDURE:** We confirmed that the work reflected in the reimbursement request/invoice is within the scope approved for the project.

**FINDING:** Of the 791 expenditures we analyzed, 789 were within the scope approved for the project. However, we noted exceptions totaling \$13,665 (< 0.01%) in the other two expenditures.

**PROCEDURE:** We confirmed that the amount requested/invoiced is supported by invoices, receipts, lease agreements, contracts, appraisals, labor policies, time records, equipment logs, or other applicable documentation.

**FINDING:** Of the 791 expenditures we analyzed, 667 were supported with proper and applicable documentation. However, we noted exceptions totaling \$1,418,665 (0.55%) in the other 124 expenditures.

**PROCEDURE:** We confirmed that the work reflected in the reimbursement request/invoice complies with federal and state regulations and guidance or grant requirements.

**FINDING:** Of the 791 expenditures we analyzed, 775 complied with federal and state regulations. However, we noted exceptions totaling \$20,691 (< 0.01%) in the other 16 expenditures.

**PROCEDURE:** We confirmed that expenditure transactions were classified and recorded properly.

**FINDING:** We did not note any exceptions as a result of this procedure.

**PROCEDURE:** We verified that all change orders are necessary and reasonable.

**FINDING:** We did not note any exceptions as a result of this procedure.

#### **TOTAL EXCEPTIONS AND AMOUNT RESOLVED**

**PROCEDURE:** We accumulated total exceptions and the amount resolved during our analysis of expenditures.

**FINDING:** During the period June 13, 2017, through June 30, 2018, we analyzed expenditures totaling \$259,049,716. We noted exceptions totaling \$1,453,021 (0.563%). CPRA worked with its vendors to resolve \$1,452,642 (99.97%) of the exception amount. A negligible \$379 remains unresolved.

We were not engaged to and did not conduct an examination, the objective of which would be to express an opinion on documentation provided by CPRA to support reimbursement of expenses eligible for funding through RESTORE Act, NRDA, NFWF settlement and/or grant dollars or CPRA's compliance with 2 CFR part 200. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters may have come to our attention that would have been reported to you.

This report is intended solely for information and use by CPRA management and the Louisiana Legislature and is not intended to be, and should not be, used by anyone other than those parties. However, by provision of state law, this report is a public document and has been distributed to the appropriate public officials.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE  
Legislative Auditor

DGP/aa

CPRA GULF OIL SPILL JUNE 2017-18



## BACKGROUND

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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 the 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 Economics of the Gulf Coast States Act, National 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.

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.
- Diversions - 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.



## Appendix A

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### Management's Response





# State of Louisiana

JOHN BEL EDWARDS  
GOVERNOR

September 12, 2018

Daryl G. Purpera, CPA, CFE  
Louisiana Legislative Auditor  
P.O. Box 94397  
Baton Rouge, LA 70804

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 in connection with the engagement to apply agreed-upon procedures to expenditures related to NFWF, NRDA, and RESTORE from June 13, 2017 to June 30, 2018. We concur with your assessment that during this period of review and of the \$259,049,716.00 of expenditures analyzed, \$379.00 remains unresolved. While the expenditures are within scope and are appropriate, the supporting documentation is insufficient. Specifically, the \$379.00 accounts for the following:

- \$310.00 - The contractor billed CPRA for photocopies, .15 cents/copy, however, there was no established rate in the contract for photocopies.

Corrective Action: We are amending the contract to include a rate for photocopies.

- \$40.00 - The contractor billed CAD expenses, for which the Project Manager gave verbal approval. However, written approval was not provided to the contractor.

Corrective Action: We have re-emphasized the importance of ensuring that written approval is provided for project related expenditures not otherwise explicitly provided for in the contract terms.

- \$29.00 - The contractor incurred project related lodging expenses in a remote area and the motel provided a hand-written receipt. The room rate was indeterminable. Assuming a Tier 1 rate, with applicable taxes, the amount of the charge was \$29.41 higher.

Corrective Action: We will more diligently investigate travel related expenditures, particularly those without a detailed itemized receipt.

## Executive Division

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Mr. Purpera  
September 12, 2018  
Page 2

We value the service this audit group is providing to CPRA, and view it as a learning experience, particularly to focus on details we did not previously identify when obtaining supporting documentation. 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: Michael Ellison, Executive Director  
Denise Stafford, Accountant Administrator  
Nancy Hu, Internal Auditor  
John Moorehead, Assistant Legislative Auditor and Director of Recovery Assistance Services