

GOVERNOR'S OFFICE OF ELDERLY AFFAIRS  
STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES  
PROCEDURAL REPORT  
ISSUED JUNE 19, 2019

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# Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE

Governor's Office of Elderly Affairs



June 2019

Audit Control # 80190035

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## Introduction

The primary purpose of our procedures at the Governor's Office of Elderly Affairs (GOEA) was to evaluate certain controls GOEA uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and to provide accountability over public funds. In addition, we determined whether management has taken action to correct the finding reported in the prior report.

## Results of Our Procedures

We evaluated GOEA's operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the applicable laws and regulations. Based on the documentation of GOEA's controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures on selected controls and transactions relating to travel expenses, payroll expenses, senior center expenses, fuel card access, and Elderly Protective Services.

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## Follow-up on Prior-report Finding

We reviewed the status of the prior-report finding in GOEA's procedural report dated August 23, 2017. In response to the prior-report finding related to Improper Allocation of Senior Center Funds, language was added to the annual appropriations bill to support GOEA's method of fund allocation for fiscal year 2018.

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## Current-report Finding

### Inadequate Controls over Fuel Cards

GOEA did not immediately deactivate FuelTrac personal identification numbers (PINs) associated with fuel cards for individuals upon separation of employment with the office, increasing the risk of unauthorized use.

Of the 12 employees who terminated employment during the period July 1, 2017, through February 26, 2019, eight (67%) separated from the office without having their FuelTrac access deactivated immediately. GOEA removed access for three of those eight employees after auditors requested a listing of active PINs from GOEA. The number of days it took to remove the access ranged from one to 529 days (or an average of 218 days) after separation of employment from GOEA.

GOEA should implement policies and procedures to ensure each employee's FuelTrac PIN is deactivated immediately upon termination of employment with the office. Management concurred with the finding and provided a corrective action plan (see Appendix A).

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## **Travel Expenses**

GOEA has one controlled billed account (CBA) for airfare, hotels, and car rentals. The office also issues travel reimbursements to employees for mileage related to official agency travel. We obtained an understanding of GOEA's related policies and procedures. We analyzed CBA transactions and travel reimbursements for the period July 1, 2017, through December 31, 2018, and randomly selected 20 transactions for review. Based on our review of the selected transactions, we determined that GOEA had adequate controls to ensure that expenses were properly approved and made for proper business purposes; sufficient documentation was maintained to support the expenses; and there was evidence of review by a supervisor.

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## **Payroll Expenses**

We obtained an understanding of GOEA's controls over the time and attendance function and reviewed 20 selected employee time statements, including overtime earned or leave taken, if applicable. Based on the results of our procedures, GOEA has adequate controls over the time and attendance function to ensure timely entry and certification of hours worked by employees; timely review and approval of employee time statements, including leave and overtime requests, by the supervisors; leave taken does not exceed the employee's leave balance; and timely review of the time statements by the time administrators.

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## **Senior Center Expenses**

The legislature appropriates funds for GOEA to allocate to parish councils on aging for senior centers each fiscal year. Distribution of these funds is guided by R.S 46:1608 and the annual appropriations acts. As a follow-up to the prior-report finding, we analyzed GOEA's allocations for fiscal year 2018 and determined that language was added to the annual appropriations bill to support GOEA's method of fund allocation for fiscal year 2018.

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## **Fuel Card Access**

GOEA uses fuel cards (FuelTrac) to purchase fuel and pay for agency vehicle maintenance while in travel status for official agency travel. We obtained an understanding of GOEA's policies and procedures for assigning fuel cards and PINs, as well as deactivating PINs and obtaining those fuel cards when employees separate from the agency. Based on the results of our procedures and as noted in the Current-report Finding section, GOEA had inadequate controls over deactivation of fuel card access.

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## **Elderly Protective Services**

We obtained an understanding of GOEA's policies and procedures over the Elderly Protective Services program. We analyzed reports of potential elder abuse received by GOEA for the period July 1, 2017, through January 31, 2019. Based on our review of 30 selected cases, we determined that GOEA's controls over compliance with program requirements related to eligibility determinations and investigations were in place and operating effectively.

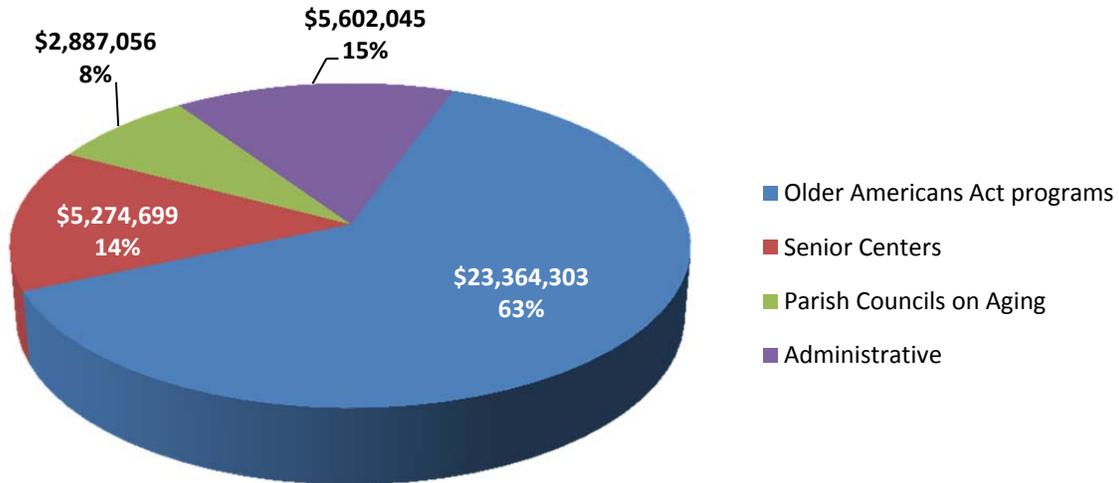
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## **Trend Analysis**

We compared the most current and prior-year financial activity using the GOEA's Annual Fiscal Reports and/or system-generated reports and obtained explanations from GOEA's management for any significant variances.

We also prepared a summary of GOEA's expenses during fiscal year 2019 as of April 30, 2019 (see Exhibit 1). Expenses for the Older Americans Act federal programs (Titles III, IV, V, and VII) comprised 63% of total expenses. These federal programs foster and assist in the development of cooperative agreements with federal, state, and local agencies, organizations and providers of supportive services to provide a wide range of support services for older Louisianans.

**Exhibit 1:  
GOEA Expenses  
(As of April 30, 2019)  
Total: \$37,128,103**



Source: Prepared by legislative auditor's staff using system-generated reports

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

Respectfully submitted,  
*Daryl G. Purpera*  
Daryl G. Purpera, CPA, CFE  
Legislative Auditor

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GOEA2019

## **APPENDIX A: MANAGEMENT'S RESPONSE**



Office of Elderly Affairs  
State of Louisiana  
OFFICE OF THE GOVERNOR



JOHN BEL EDWARDS  
GOVERNOR

March 28, 2019

Mr. Daryl Purpera, CPA, CFE  
Legislative Auditor  
1600 N. Third Street  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Re: Response to Finding "Inadequate Controls over Fuel Cards"

Dear Mr. Purpera,

The Governor's Office of Elderly Affairs (GOEA) concurs with the finding "Inadequate Controls over Fuel Cards." Although FuelTrac charge cards were never in the custody of separated/terminated employees, GOEA concurs that FuelTrac PIN numbers were not always deactivated timely. FuelTrac PIN deactivation has been added to the Separation Checklist form and the FuelTrac custodian is to initial the form acknowledging the PIN has been deactivated.

The contact person responsible for corrective action is Michelle Guillory, Compliance and Planning Unit Manager. If you have any further questions regarding this issue, please contact our office at 225-342-7100.

Sincerely,

A handwritten signature in cursive script that reads "Karen J. Ryder".

Karen J. Ryder  
Executive Director

lfj/DBS/KJR



## APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at the Governor's Office of Elderly Affairs (GOEA) for the period from July 1, 2017, through May 29, 2019. Our objective was to evaluate certain controls GOEA uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and to provide overall accountability over public funds. The scope of our procedures, which are summarized below, was significantly less than an audit conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. We did not audit or review the GOEA's Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. GOEA's accounts are an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated GOEA'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 GOEA.
- Based on the documentation of GOEA's controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures on selected controls and transactions relating to travel expenses, payroll expenses, senior center expenses, fuel card access, and Elderly Protective Services.
- We compared the most current and prior-year financial activity using GOEA's Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from GOEA's management for any significant variances that could potentially indicate areas of risk.

The purpose of this report is solely to describe the scope of our work at GOEA and not to provide an opinion on the effectiveness of GOEA'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 purpose.