

# **DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS – PUBLIC SAFETY SERVICES**

STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

**Management Letter**  
**Issued December 11, 2023**

**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**  
BETH Q. DAVIS, CPA

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# Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA



Department of Public Safety and Corrections –  
Public Safety Services

December 2023

Audit Control # 80230111

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## Introduction

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As a part of our audit of the State of Louisiana's Annual Comprehensive Financial Report and our work related to the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2023, 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.

In addition to the procedures noted above, we also performed certain other procedures for the period July 1, 2021, through June 30, 2023. We also determined whether management has taken actions to correct the findings reported in the prior management letter.

## Results of Our Procedures

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### Follow-up on Prior Management Letter Findings

Our auditors reviewed the status of the prior management letter findings reported in the DPS management letter dated December 20, 2021. We determined that management has resolved the prior management letter finding related to Untimely Deposit of Fees for the Concealed Handgun Permit Fund. The prior management letter findings related to Lack of Adherence to Controls over Payroll, Noncompliance with State Purchasing Regulations, and Weaknesses in Controls over Property of the Office of State Police and Office of State Fire Marshal have not been fully resolved and are addressed again in this letter.

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## **Current-year Findings**

### **Lack of Adherence to Controls over Payroll**

For the second consecutive engagement, the DPS Office of State Fire Marshal (OSFM) did not timely certify and approve time sheets. OSFM utilizes electronic time sheets in the Cross-Application Time Sheet system.

In our review of payroll system reports for OSFM for the period between October 20, 2021, and December 28, 2022, we noted the following:

- 615 (10%) of 6,296 time sheets were not certified by the employee.
- 981 (16%) of 6,296 time sheets totaling approximately \$3.5 million in salaries, wages, leave, and overtime paid, were not approved by the supervisor prior to payroll processing. At the time of our testing, 465 time sheets were not approved by a supervisor and 516 time sheets were approved by the employees' supervisors between 1 and 389 days (or an average of 11 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.

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. Management concurred in part with the finding and provided a corrective action plan (see Appendix A, pages 1-2).

### **Noncompliance with State Purchasing Regulations**

For the third consecutive engagement, the Office of State Police (OSP) within DPS 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 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 reviewed included purchases totaling approximately \$8.7 million dated between November 4, 2021, and December 5, 2022, made by OSP employees. In a review of 25 LaCarte transactions, 10 transactions (40%) included information technology items totaling \$15,684 that included printers, laptops, tablets, and monitors.

- Two OSP employees used the LaCarte Card to make recurring purchases that included card usage fees for the time period November 16, 2021 – November 29, 2022. 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 53 transactions to one vendor (Capital City Produce) that included convenience fees totaling \$1,528.

OSP employees did not adhere to 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 following applicable state purchasing regulations to ensure LaCarte purchases are made in accordance with state regulations. Management concurred with the finding and provided a corrective action plan (see Appendix A, page 3).

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

The DPS OSP and 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 fifth and third 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 20 OSP purchasing transactions of movable property items recorded between July 1, 2021, and December 31, 2022, disclosed the following:

- 10 of the transactions included 14 items totaling \$36,964 that were not entered into the LaGov property system within 60 days of acquisition. Of those 14 items, four were entered into the property system beyond the 60-day timeframe, four were entered only after notification by the

auditor of the asset purchases, and as of June 5, 2023, six items have not been entered into the system. The time between the acquisition date of the assets and entry into LaGov ranged from 81 to 586 days (or an average of 345 days).

- The acquisition cost entered into the LaGov property system for seven items tested did not agree to the purchase amount per invoice or receipt. The total cost of the seven assets, which included two Foster Freeman Crimelites, four ballistic shields, and a 2018 Yamaha golf cart, was understated by \$15,452.

Our procedures performed on 22 OSFM purchasing transactions of movable property items recorded between July 1, 2021, and December 31, 2022, disclosed the following:

- 8 of the transactions included 13 items totaling \$47,709 that were not entered into the LaGov property system within 60 days of acquisition. All 13 items were entered into the property system only after notification by the auditor of the asset purchases. The time between the acquisition date of the assets and entry into LaGov ranged from 210 to 463 days (or an average of 374 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 4-6).

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## **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, 2023, we considered internal control over financial reporting and examined evidence supporting the additions and deletions to the DPS Office of Motor Vehicles (OMV) Parish and Municipal Motor Vehicle Sales and Use Tax Escrow Fund.

Based on the results of these procedures, we did not report any findings. In addition, the classes of transactions tested are materially correct.

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## 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 payroll, capital assets, LaCarte purchasing card expenditures, and the Concealed Handgun Permit Fund.

Based on the results of these procedures, we reported findings related to Lack of Adherence to Controls over Payroll, Noncompliance with State Purchasing Regulations, and Weaknesses in Controls over Property of the Office of State Police and Office of State Fire Marshal, as described previously.

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## 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 DPS's management for any significant variances.

The recommendations in this letter represent, 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:NM:RR:BQD:aa

DPS2023



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

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JOHN BEL EDWARDS  
GOVERNOR

LOUISIANA DEPARTMENT OF PUBLIC SAFETY & CORRECTIONS  
PUBLIC SAFETY SERVICES



DANIEL H. WALLIS  
STATE FIRE MARSHAL

OFFICE OF STATE FIRE MARSHAL

September 7, 2023

Michael J. "Mike" Waguespack, CPA  
Louisiana Legislative Auditor  
1600 North 3rd Street P.O. Box 94397  
Baton Rouge, LA 70804-9397

**Re: Louisiana Office of State Fire Marshal Response to FY23 DPS Payroll Audit (80230022)**

Dear Mr. Waguespack:

The following is the agency response to the audit of payroll system reports for the State Fire Marshal's office for the period between October 20, 2021 and December 28, 2022. Regarding the portion of 6,296 time statements in the period of review, the agency concurs in part that a portion of timesheets were not certified and approved timely.

Regarding the 615 (9.77%) of 6,296 timesheets reviewed that were not certified by the employee:

- 321 (5.1%) of 6,296 timesheets were subject to an error of assignment in the CATS system to a single employee who was not the appropriate supervisor. It appears that this employee was the "default" supervisor for certain new employees until the appropriate supervisor could be assigned in the CATS system. It should also be noted that the "Manage Forward Rules" feature in CATS did not work for the agency's supervisors and managers. Therefore, as the Fire Marshal needed to reorganize with employee turnover, management changes, and the addition of the FETA program and employees to the roster, any approver changes and substitutions had to be requested of and entered by Human Resources.
- 223 (3.54%) of the 6,296 timesheets had no approver listed in the CATS system for oversight and to ensure certification by employees.
- 71 (1.13%) of 6,296 timesheets were assigned to the appropriate supervisor and were not certified.

Regarding the 981 (15.58%) of 6,296 timesheets reviewed that were not approved by supervisors prior to payroll processing, the agency concurs in part.

- Of the 465 timesheets reviewed that were not approved by supervisors prior to payroll processing, it appears from the review that 465 (100% of 465 or 7.38% of 6,296) had no approver listed in the CATS system for oversight to ensure review and approval.
- Of the 516 timesheet certifications that were not approved timely, 79 (15.3% of 516 or 1.25% of 6,296) were subject to an error of assignment in the CATS system to a single employee who was not the appropriate supervisor. Of the remainder of untimely certification approvals, 437 (84.7% of 516, or 6.96% of 6,296) are attributed to 48 supervisors.

**Corrective action plan:** the agency will work with Human Resources in having the appropriate supervisor assigned to each employee in the CATS system for proper oversight and to ensure that each timesheet is certified and approved. The agency will work with Human Resources to repair the

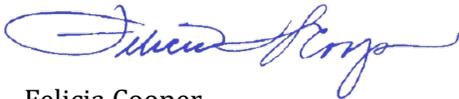
Michael J. "Mike" Waguespack, CPA  
Louisiana Legislative Auditor  
Re: SFM Response to FY23 DPS Payroll Audit (80230022)  
September 7, 2023  
Page 2 of 2

"Manage Forward Rules" feature in CATS for future needs to assign temporary approvers and for future temporary changes in reporting relationships. The agency will advise each supervisor to send additional reminders to employees to certify their time statements in a timely manner. The agency will also send reminders to supervisors to approve time certifications. This corrective action plan has already begun.

- Responsible persons: Felicia Cooper, Shantelle Brent, Lindsay Savoy, all timekeepers.
- Anticipated completion date: October 1, 2023.

We appreciate this review by the Legislative Auditor, as it has allowed the agency a perspective for improvement and an opportunity to further enhance its controls in management and in the assigned payroll system. Please advise if any additional information is required.

Sincerely,



Felicia Cooper  
Deputy Assistant Secretary  
Louisiana Office of 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*

DPS-02-02156-GG  
September 14, 2023

Michael J. "Mike" Waguespack, CPA  
Louisiana Legislative Auditor  
1600 North 3rd Street P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Waguespack:

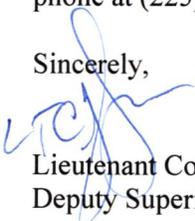
The Office of State Police (OSP) and the Office of Management and Finance (OMF), within the Department of Public Safety and Corrections, Public Safety Services (DPS), are in receipt of your recent audit finding for OSP, Noncompliance with State Purchasing Regulations. Thank you for providing the opportunity to respond to your finding of noncompliance with state purchasing regulations within the LaCarte program. As the administration of the LaCarte program is the responsibility of OMF, I will provide the response on behalf of DPS.

OMF and OSP do concur with your findings that OSP employees used LaCarte cards to acquire information technology equipment that ought to have been procured through the Office of Technology Services (OTS) and that purchases which incurred convenience fees were made.

DPS appreciates the importance these audits have in decreasing the risk of fraud and ensuring state agencies have adequate controls in place to ensure accountability over public funds. As a result of these findings, OMF has begun the process of reviewing the Department's internal LaCarte policy to ensure that all prohibitions identified by your audit are addressed. Our current LaCarte training module will be updated to reflect any policy updates, including these specific areas of noncompliance. Scott Erwin, the Financial Services Director, will oversee the dissemination of the updated policy and training to all LaCarte users and approvers via our PowerDMS system. The projected completion time is November 3, 2023.

If you have any questions related to this response, I can be contacted at [Gregory.Graphia@la.gov](mailto:Gregory.Graphia@la.gov) or by phone at (225)925-6032.

Sincerely,

  
Lieutenant Colonel Gregory Graphia  
Deputy Superintendent - Chief Administrative Officer

C: Colonel Lamar A. Davis, Deputy Secretary, Department of Public Safety Services  
Lieutenant Colonel Chavez Cammon, Assistant Superintendent, Office of State Police  
Patrick Bateman, Internal Audit Director, Office of Management and Finance  
Scott Erwin, Financial Services Director, Office of Management and Finance

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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 20, 2023

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

RE: Capital Assets Finding

The Office of State Police (OSP), within the Department of Public Safety and Corrections, Public Safety Services (DPS), is in receipt of your recent audit finding for OSP, "Weaknesses in Controls over Property". Thank you for providing the opportunity to respond to your finding of noncompliance with state purchasing regulations concerning movable property.

The Department concurs with the LLA's findings that OSP employees did not ensure that all property purchased was timely tagged and recorded in the state property system in accordance with state property regulations.

OSP recognizes the importance of audits in reducing the risk of fraud and promoting accountability for state agencies' movable property. Based on the audit's findings, OSP is currently reviewing the Department's policy to address all identified deficiencies related to the department's property, including the areas of noncompliance mentioned in the audit. Lt. Colonel Chavez Cammon, my Chief of Staff, is responsible for overseeing the correction process and ensuring that the necessary corrective actions are taken by September 29, 2023. If you have any questions about our response, please don't hesitate to contact me.

Respectfully,

A handwritten signature in blue ink that reads "Col Lamar A. Davis".

Colonel Lamar A. Davis  
Deputy Secretary, Public Safety Services  
Superintendent, Louisiana State Police

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JOHN BEL EDWARDS  
GOVERNOR

LOUISIANA DEPARTMENT OF PUBLIC SAFETY & CORRECTIONS  
PUBLIC SAFETY SERVICES

OFFICE OF STATE FIRE MARSHAL



DANIEL H. WALLIS  
STATE FIRE MARSHAL

August 24, 2023

Michael J. "Mike" Waguespack  
LA Legislative Auditor  
1600 N. Third Street  
Baton Rouge, LA 70802

RE: OSFM Audit Response

Dear Mr. Waguespack:

The Louisiana Legislative Auditor's Office (Auditor) conducted an audit of property housed within the Office of State Fire Marshal (OSFM) and the OSFM Fire Emergency Training Academy (FETA) for the period of July 1, 2021 through December 05, 2022. Please see the OSFM's response to each of the Auditor's findings below:

**Observation #1 Concur with clarification. Thirteen Assets Not Entered into System**

Eight (8) of the transactions included Thirteen (13) items totaling \$47,709 that were not entered into the LaGov property system within 60 days of acquisition. All 13 items were entered into the property system only after notification by the auditor of the asset purchases. The time between the acquisition date of the assets and entry into LaGov ranged from 210 to 463 days (or an average of 374 days).

The OSFM recently acquired the Fire Emergency Training Academy (FETA) from Louisiana State University via a statutory transfer. With a transfer of this magnitude to include, personnel, functions, duties, property, finances, budget, etc., there is to be expected a required learning curve of all the policies, procedures, personnel, etc. In this matter, nine (9) of the thirteen (13) items were purchased through FETA personnel. Therefore, additional training and safeguards will be implemented to prevent this from occurring in the future.

The remaining transaction which included four (4) items were Dell Desktops purchased by OSFM through OTS. The OSFM Property Control Manager was not notified of the purchase. The issue regarding how this single transaction occurred has been corrected and all parties have educated. At no point were any of the assets lost or stolen.

**Management Response:**  Agrees/alternative action plan

**Responsible Parties:** Claiborne, Lorre D.

If your Office requires anything further, please do not hesitate me.

Sincerely,

  
Daniel "H" Wallis  
State Fire Marshal

## APPENDIX B: SCOPE AND METHODOLOGY

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We performed certain procedures at the Department of Public Safety and Corrections – Public Safety Services (DPS) for the period from July 1, 2022, through June 30, 2023, 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 and our work related to the Single Audit of the State of Louisiana for the year ended June 30, 2023.

- 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 certain other procedures for the period from July 1, 2021 through June 30, 2023. Our objective was to evaluate certain controls DPS uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. 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.