



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

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STATE OF LOUISIANA SINGLE AUDIT 2013

The state could be responsible for repaying the federal government as much as \$172 million in “questioned costs” in the way it spent some of the \$16 billion in federal loans and grants in the fiscal year that ended June 30, 2013, according to the state’s single audit of federal dollars issued Monday by Legislative Auditor Daryl Purpera.

The questioned costs for the fiscal year 2012 totaled \$94.85 million of about \$15.9 billion in federal funds, including loan programs. Reported questioned costs for the 2013 fiscal year include about \$72 million remaining questioned costs from 2012 and another \$100 million that was added in 2013, auditors said.

Much of the \$100 million in new questioned costs from 2013 and all of the \$72 million carried forward from the 2012 audit are related to the Community Development Block Grant (CDBG) programs put in place after hurricanes Katrina and Rita in 2005.

Under federal law, the state auditor must annually report to the federal government how the state uses federal funds. The costs are questioned because the state may not have followed federal regulations in spending the money. The demand for repayment of those costs is up to the awarding federal agency.

The state auditor’s office could not give a clean bill of health to the way the state administered its CDBG programs. The Homeowners Assistance Program identified 2,035 ineligible homeowners who received \$98.2 million and at least 35 more who did not have the proper evidence to receive \$2.6 million in grant money. In addition, the small rental property program placed loans totaling \$46 million in “recovery status for non-compliance with loan requirements.”

In two other findings, the state auditor also criticized the federally funded Workforce Investment Act programs administered by the Louisiana Workforce Commission for having deficiencies relating to the monitoring of subrecipients and the Children’s Health Insurance Program and Medicaid programs administered by the Department of Health and Hospitals for using a cost allocation program which did not have the required federal approval.



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Overall, the single audit reported 35 findings, including 25 new issues and 10 unresolved findings from the 2012 fiscal year.

In the 2012 single audit to the federal government, the state reported 28 findings, the lowest in the last five years. The 28 included 17 new findings and 11 repeat findings from 2011.

For more information, contact:

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On Twitter: State could be responsible for repaying federal government as much as \$172 million in “questioned costs.”