

ACT 461 REPORT ON FISCAL
DEFICIENCIES, INEFFICIENCIES,
FRAUD, OR OTHER SIGNIFICANT ISSUES
DISCLOSED IN GOVERNMENTAL AUDITS

FOURTH QUARTER, FISCAL YEAR 2017



REPORT TO THE JOINT LEGISLATIVE
COMMITTEE ON THE BUDGET
ISSUED JULY 2017

**LOUISIANA LEGISLATIVE AUDITOR
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DARYL G. PURPERA, CPA, CFE

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LOCAL GOVERNMENT SERVICES
THOMAS H. COLE, CPA

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

July 5, 2017

Chairman Eric LaFleur and Members of the
Joint Legislative Committee on the Budget

Dear Chairman LaFleur and Members of the Joint Legislative Committee on the Budget:

Act 461 of the 2014 Regular Session requires the Legislative Auditor to make quarterly and annual reportings to the Joint Legislative Committee on the Budget of certain audits which have findings with a dollar impact of \$150,000 or more relative to waste or inefficiencies, missed revenue collections, erroneous or improper payments or overpayments by the state, theft of money, failure to meet funding obligations such as pension or health benefits, failure to comply with federal fund or grant requirements, failure to comply with state funding requirements, misappropriation of funds, errors in or insufficient support for disaster expenditures, accountability of public money associated with various disasters such as the Deepwater Horizon event, and repeat findings.

Attached is our report to meet the requirements of Act 461 for the fourth quarter of Fiscal Year 2017. That report is linked and referenced to the full reports which contain the applicable findings of interest, as well as management's responses.

We are available to present the information that is of interest to your committee. We hope that this report assists you in your legislative decision-making process.

Sincerely,

A handwritten signature in blue ink that reads "Daryl G. Purpera". The signature is written in a cursive, flowing style.

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/ch

ACT 461 REPORTING – JULY 2017

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STATE AGENCIES

Agency Name	Parish	Issue Date	Fiscal Year End/ Scope	Link to LLA Report	Finding Description	Page No.	Amount
Louisiana Tax Commission (LTC)	Calcasieu, East Baton Rouge, East Feliciana, Iberville, Jefferson, Orleans, and Plaquemines	6/7/2017	Assessment Years 2011 through 2015	Report	Over assessment years 2011 through 2015, LTC assigned eight barge and railcar companies to the wrong parish. As a result, some parishes received tax revenue that should have gone to another parish.	14	\$2.4 million
Governor's Office of Homeland Security and Emergency Preparedness	Statewide	4/24/2017	6/30/2017	Report	Completed work was not within the scope of the approved project.	3	\$4,762,376
Governor's Office of Homeland Security and Emergency Preparedness	Statewide	4/24/2017	6/30/2017	Report	Expense reimbursements were not supported by invoices, receipts, lease agreements, contracts, labor policies, time records, equipment logs, inventory records, or other applicable documentation.	3	\$16,592,194
Governor's Office of Homeland Security and Emergency Preparedness	Statewide	4/24/2017	6/30/2017	Report	Contracts and purchases totaling more than \$10,000 per vendor per calendar year did not comply with applicable federal and state procurement requirements.	3	\$31,040,706

Agency Name	Parish	Issue Date	Fiscal Year End/ Scope	Link to LLA Report	Finding Description	Page No.	Amount
Governor's Office of Homeland Security and Emergency Preparedness	Statewide	4/24/2017	6/30/2017	Report	Work reflected in the expense reimbursements did not comply with applicable FEMA regulations and guidance.	3	\$1,833,688
Governor's Office of Homeland Security and Emergency Preparedness	Statewide	4/24/2017	6/30/2017	Report	GOHSEP's cost estimating tool and/or expense review form either omitted or contained duplicate and/or incorrectly-categorized expenses.	4	\$394,734
Governor's Office of Homeland Security and Emergency Preparedness	Statewide	4/24/2017	6/30/2017	Report	Completed work was not within the scope of the approved project.	2	\$558,994
Governor's Office of Homeland Security and Emergency Preparedness	Statewide	4/24/2017	6/30/2017	Report	Expense reimbursements were not supported by invoices, receipts, lease agreements, contracts, labor policies, time records, equipment logs, HUD settlement statements, appraisals, elevation certificates, duplication of benefits verifications, engineer plans, inspection photographs, or other applicable documentation.	2-3	\$3,309,036

Agency Name	Parish	Issue Date	Fiscal Year End/ Scope	Link to LLA Report	Finding Description	Page No.	Amount
Governor's Office of Homeland Security and Emergency Preparedness	Statewide	4/24/2017	6/30/2017	Report	Contracts and purchases totaling more than \$10,000 per vendor per calendar year did not comply with applicable federal and state procurement requirements.	3	\$6,304,199

Notes:

For Public Assistance - Since March 2008, the LLA has noted exceptions totaling \$1,014,230,618, which includes the \$54,623,698 noted this period, and GOHSEP has resolved \$903,867,891, which includes the \$51,484,000 resolved this period.

For Hazard Mitigation - Since March 2008, the LLA has noted exceptions totaling \$250,074,672, which includes the \$10,376,554 noted this period, and GOHSEP has resolved \$134,860,335, which includes the \$11,683,156 resolved this period.

LOCAL GOVERNMENT AGENCIES

Agency Name	Parish	Issue Date	Fiscal Year End/ Scope	Link to LLA Report	Finding Description	Page No.	Amount
City of Jeanerette	Iberia	5/17/2017	6/30/2016	Report	Improper Management of the Water System - Uncollected customer accounts greater than 60 days	3	\$188,837
Iberia Parish Clerk of Court	Iberia	4/26/2017	6/30/2016	Report	From May 2013 to May 2016, the Clerk of Court improperly retained \$314,495 in unused advance court costs that state law requires to be refunded to the persons who originally deposited those monies. Of this amount, the Clerk of Court transferred \$218,021 from the advance deposit fund to the Clerk of Court's salary fund to pay salaries and other expenses. All advance deposit funds should have either been returned to the persons who made the original deposits or turned over to the State Treasurer as unclaimed property.	55	\$314,495