

DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS,
PUBLIC SAFETY SERVICES
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED JANUARY 9, 2008

**LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

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LEGISLATIVE AUDITOR

STEVE J. THERIOT, CPA

DIRECTOR OF FINANCIAL AUDIT

THOMAS H. COLE, CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Thirteen copies of this public document were produced at an approximate cost of \$33.28. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's Web site at www.lla.state.la.us. When contacting the office, you may refer to Agency ID No. 3550 or Report ID No. 07101288 for additional information.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Wayne "Skip" Irwin, Director of Administration, at 225-339-3800.



STEVE J. THERIOT, CPA
LEGISLATIVE AUDITOR

OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

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December 17, 2007

**PUBLIC SAFETY SERVICES
DEPARTMENT OF PUBLIC SAFETY
AND CORRECTIONS
STATE OF LOUISIANA
Baton Rouge, Louisiana**

As part of our audit of the State of Louisiana's financial statements for the year ended June 30, 2007, we considered the Department of Public Safety and Corrections, Public Safety Services' internal control over financial reporting and over compliance with requirements that could have a direct and material effect on a major federal program; we examined evidence supporting certain accounts and balances material to the State of Louisiana's financial statements; and we tested the department's compliance with laws and regulations that could have a direct and material effect on the State of Louisiana's financial statements and major federal programs as required by *Government Auditing Standards* and U.S. Office of Management and Budget Circular A-133.

The Annual Fiscal Reports of the Department of Public Safety and Corrections, Public Safety Services, are not audited or reviewed by us, and, accordingly, we do not express an opinion on these reports. The department's accounts are an integral part of the State of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

In our prior management letter on the Department of Public Safety and Corrections, Public Safety Services, for the year ended June 30, 2006, we reported findings relating to a deficiency in the disaster recovery plan, inadequate controls over movable property, an ineffective internal audit function, overpayment of terminated employees, and misappropriation of computers. The findings relating to overpayment of terminated employees and misappropriation of computers have been resolved by management. The remaining findings are addressed again in this letter.

Based on the application of the procedures referred to previously, all significant findings are included in this letter for management's consideration. All findings included in this management letter that are required to be reported by *Government Auditing Standards* will also be included in the State of Louisiana's Single Audit Report for the year ended June 30, 2007.

Deficiency in Disaster Recovery Plan

For the third consecutive year, the Department of Public Safety and Corrections, Public Safety Services, does not have access to an offsite disaster recovery facility as a part of its disaster recovery plan. Good internal control requires that the department have a disaster recovery plan that provides for the timely restoration and continuity of critical entity operations in the event that normal data processing facilities are unavailable for an

DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS,
PUBLIC SAFETY SERVICES

extended period of time. The department maintains computer records for a variety of public safety activities including state police, statewide emergency preparedness, motor vehicle registration, drivers' licenses, and collecting revenues from riverboat and video poker gaming activities. The department has completed a comprehensive disaster recovery plan that includes written procedures, training, and testing. However, because of budgetary constraints, the plan does not include any provisions for a remote processing facility.

Failure to obtain access to a remote processing facility increases the risk that, in the event of a disaster, the department will be unable to provide timely restoration and continuity of critical operations.

Management of the department should obtain access to a remote processing facility, which should have the same operating systems as the agency, so that data can be processed and operations can continue with minimal disruption of services. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix A, page 1).

Ineffective Internal Audit Function

For the seventh consecutive year, the Audit Services Section of the Department of Public Safety and Corrections, Public Safety Services, did not conduct a sufficient number of audits to be considered an effective internal audit function. The internal audit function should provide management with assurances that assets of the department are properly safeguarded, internal controls are established and operating in accordance with applicable laws and regulations, and procedures are sufficient to prevent or detect errors and/or fraud in a timely manner. Although the Audit Services Section conducted limited audits within the department, the number and scope of audits were not sufficient to constitute an effective internal audit function. Considering the department's reported assets (\$35,380,089) and the revenues it collects (\$1,387,952,125), an effective internal audit function is needed to ensure that the department's assets are safeguarded and that management's policies and procedures are uniformly applied.

The department should take the necessary steps to ensure that the Audit Services Section conducts a sufficient number of audits by either reallocating or increasing available internal audit resources or by pursuing other alternatives to accomplish this objective. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix, page 2).

Insufficient Control Over Payroll

The Department of Public Safety and Corrections, Public Safety Services, does not have adequate control over processing time and attendance records to ensure that its employees' time and attendance is entered accurately into the statewide payroll system, ISIS/HR. The department has not consistently enforced its established policies and

procedures to ensure that time and attendance records are certified and approved, that leave taken is adequately supported by approved leave slips, and that its employees' time and attendance is entered accurately. Civil Service Rule 15.2 requires classified employees and their supervisors to certify the number of hours of attendance or absence from duty on the time and attendance records. In addition, good internal control requires that adequate control be established and followed to ensure that employees' time and attendance is correctly entered, that the employee is correctly paid, and that all leave earned or taken is properly recorded.

Our test of payroll included 13 randomly selected timekeepers and the 599 employees (or a sample of these employees) for whom these timekeepers are responsible. The test disclosed the following:

- Of the 13 timekeepers tested, six (46%) did not obtain the three required signatures on the time entry audit report (ZT02), which is used to verify the accuracy of the information entered in ISIS/HR. The department's policy requires three signatures on the ZT02; however, of the six timekeepers, two obtained none of the required signatures while the other four obtained two of the three required signatures. Failure to obtain the required signatures indicates an inadequate segregation of duties in that the timekeepers were both entering the time and verifying that the entries were correct.
- For 39 (10%) of a sample of 409 employees' time and attendance reports tested, the hours worked or the leave taken did not agree to the ZT02 report.
- For 23 (4%) of all 599 employees tested, the leave taken according to the ZT02 report was not supported by signed and approved leave slips.
- For 22 (4%) of all 599 employees tested, the time sheets did not have the handwritten signatures of either the employee or the supervisor.

Additional tests were performed on 314 employees for four State Police Troops and disclosed the following:

- Two (1%) of the 314 employees tested indicated that the signature on the time sheets and leave slips were not their own.
- For 41 (13%) of the 314 employees tested, the supervisor or employee signature is not an original, handwritten signature as required by the department's policy. Either a typed, stamped, or photo copy of the signature was used instead.
- For 40 (13%) of the 314 employees tested, the date by the employee's or supervisor's signature on the time sheet or leave slip was not timely. The

DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS,
PUBLIC SAFETY SERVICES

signatures were dated from one week to six months after the end of the pay period.

A review of the internal control procedures at all nine State Police Troops revealed the following:

- For three (33%) of the nine State Police Troops, the timekeepers perform incompatible duties by entering the time and verifying that the entries are correct.
- Four (44%) of the nine State Police Troops allowed their employees one to four weeks after the pay period ended to sign their time sheets.

Failure to adequately document and support time and attendance increases the risk of errors and/or fraud occurring and not being detected timely. In addition, the department has not complied with Civil Service regulations requiring adequate support for its employees' time and attendance.

Management of the department should enforce and monitor its established procedures to provide adequate documentation and support of its employees' time and attendance as required by Civil Service rules and regulations. Management concurred with the finding and recommendations and outlined a plan of corrective action (see Appendix, page 3).

Inadequate Controls Over Movable Property

For the third consecutive year, the Department of Public Safety and Corrections, Public Safety Services, did not have adequate internal controls to ensure compliance with the state's movable property regulations related to verifying the location of property. In addition, the department did not have adequate internal controls to ensure the timely reporting of qualified acquisitions to the Louisiana Property Assistance Agency (LPAA). A review of the department's accounting records disclosed the following:

1. The Department of Public Safety and Corrections, Public Safety Services, identified unlocated movable property items totaling \$831,549 as a result of its annual property inventory certification procedures. Of that amount, items totaling \$65,592 were removed from the property records because they had not been located for three consecutive years. Of the unlocated property reported on the department's property inventory certification, the amount of unlocated computers and computer-related equipment totaled \$430,812. In addition, included in the unlocated items from the State Police cafeteria are an industrial gas range and an industrial ice maker valued at \$4,388 and \$2,076, respectively. The department stated that these items were lost during a move. The department's certifications of annual property inventory, submitted to LPAA between January and June 2007, disclosed \$148,837,870 in total movable property administered by

the department. The breakdown of unlocated property, by functional property area, is as follows:

- Office of State Police - \$442,541
- Information Services - \$321,222
- Office of Management and Finance - \$36,223
- Office of Motor Vehicles - \$12,858
- State Police Cafeteria - \$11,418
- Louisiana Gaming Control Board - \$3,181
- State Police Training Academy - \$3,061
- Fire Marshal - \$1,045

2. A review of the acquisitions for the department disclosed that 121 assets totaling \$1,054,339 were not reported to LPAA within 60 days. The number of days late ranged from one to 3,026 days for an average of 324 days late. The late additions included five pistols and one machine gun that were taken as evidence in criminal investigations and later placed into service by the Office of State Police after the cases were adjudicated. The department was 299 days late in adding these weapons to the state's inventory listing.

Louisiana Revised Statute (R.S.) 39:325 requires entities to conduct an annual inventory of movable property and report any unlocated items to LPAA. Louisiana Administrative Code (LAC) 34:VII.313 states, in part, that efforts must be made to locate all movable property items for which there are no explanations available for their disappearance. R.S. 39:323 and LAC 34:VII.307 require that all acquisitions of qualified assets be reported to LPAA within 60 days of receipt of the property. In addition, good internal control dictates that assets are properly monitored to safeguard against loss or theft and that thorough periodic physical counts of property inventory be conducted.

Failure to establish adequate controls over movable property increases the risk of loss arising from unauthorized use of property and subjects the department to noncompliance with state laws and regulations. Because of the nature of the services provided by the department, the risk also exists that sensitive information could be improperly recovered from the missing computers and/or computer-related equipment.

The department is not properly accounting for and safeguarding its movable property. Management should strengthen its procedures for conducting the physical inventory of movable property and devote additional efforts to locating movable property reported as

DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS,
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unlocated in previous years and ensuring that the acquisition of qualified assets is reported timely to LPAA. Management concurred with the finding and recommendations and outlined a plan of corrective action (see Appendix, pages 4-5).

Failure to Document Payroll Costs

The Department of Public Safety and Corrections, Public Safety Services, failed to document on time sheets, or any other secondary formal documentation, the hours that the program manager worked on the Uniform Construction Code Enforcement (UCCE) Program, which is funded by the Community Development Block Grants/State's Program (CFDA 14.228). Office of Management and Budget (OMB) Circular A-87, Attachment B, Section 8h, states that if employees work on multiple activities, a distribution of their salaries and related benefits will be supported by documentation that accounts for the total hours devoted to their performance of those awards.

The program manager for the department failed to identify the hours devoted to the UCCE program on his time sheets. Instead, a standard rate of 25% of his salary and related benefits was allocated as a program expenditure. Without a detailed time sheet or other supporting documentation that identifies his time devoted to the program, the department has not complied with regulations to properly support those expenditures. As a result, \$12,551 of payroll expenditures allocated to the grant during the fiscal year ended June 30, 2007, represents questioned costs.

Management of the department should develop and implement a method whereby the program manager identifies and certifies the hours devoted to performance of the UCCE program. In addition, management should contact the grant provider to resolve the questioned costs. Management concurred with the finding and recommendations and outlined a plan of corrective action (see Appendix, page 6).

Inadequate Subrecipient Monitoring

The Department of Public Safety and Corrections, Public Safety Services, did not adequately monitor subrecipients of the Homeland Security Grant Program (CFDA 97.067), a program within the Homeland Security Cluster, for compliance with federal laws and regulations. OMB Circular A-133 requires that a pass-through entity be responsible for monitoring the subrecipient's use of federal awards through reporting, site visits, regular contact, or other means to provide reasonable assurance that the subrecipient administers the federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements.

In the fiscal year ended June 30, 2007, the department failed to complete site visits to the 121 local and state jurisdictions that received funds from the Homeland Security Cluster. Failure to monitor subrecipients increases the risk of noncompliance with federal laws and regulations applicable to the Homeland Security Cluster and increases the risk that funds may not be expended in accordance with program requirements.

Management of the department should adequately monitor all subrecipients of its Homeland Security Grant Program to ensure that the subrecipients are in compliance with the requirements of the program. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix, page 7).

Lack of Control Over the Claims Loss Listing

The Department of Public Safety and Corrections, Public Safety Services, is not reviewing the Claims Loss Listing quarterly for accuracy and completeness. In accordance with the rules promulgated by the Office of Risk Management (ORM) and codified in Title 37, Part 1, Chapter 7 of the Louisiana Administrative Code, certain claims and litigation must be reported to ORM. The reported claims are captured in the Claims Loss Listing report. ORM requests that the department review the Claims Loss Listing for accuracy and completeness of the claims reported since ORM uses it as the basis to correctly assess the premium rate for state agencies. This reporting and verification process requires that the department have a system of controls for the reporting of claims and litigation to ORM and for the quarterly verification of the accuracy and completeness of the Claims Loss Listing.

Our tests of the Claims Loss Listing and claim files revealed the following:

- Claim files could not be located for two of 11 (18%) claims randomly selected from the Claims Loss Listing.
- Five of 16 (31%) randomly selected claim files were not included in the Claims Loss Listing.

Failure to ensure that the Claims Loss Listing is accurate and complete subjects the department to the risk of higher or inadequate insurance premiums. Management of the department should implement policies and procedures to ensure that the Claims Loss Listing and claim files are accurate and complete. These procedures should include, but not be limited to, a periodic reconciliation of the Claims Loss Listing to the claim files. Management concurred with the finding and recommendation and outlined a plan of corrective action (see Appendix, page 8).

The department conducted an internal audit and issued a report on its cafeteria operations located on the Louisiana State Police Headquarters compound. That report included findings regarding inadequate controls and security over inventory; inadequate controls over collections from sales of meals; issuing free meals to certain department employees; unapproved overtime for cafeteria employees; and improper use of the department's credit card (LaCarte) and inadequate records to support purchases using that credit card.

The recommendations in this letter represent, in our judgment, those most likely to bring about beneficial improvements to the operations of the department. The varying nature of the recommendations, their implementation costs, and their potential impact on the operations of the

DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS,
PUBLIC SAFETY SERVICES

department should be considered in reaching decisions on courses of action. The findings relating to the department's compliance with applicable laws and regulations should be addressed immediately by management.

This letter is intended for the information and use of the department and its management, others within the entity, and the Louisiana Legislature and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,



Steve J. Theriot, CPA
Legislative Auditor

BB:WDD:THC:dl

DPDPSS07

Management's Corrective Action
Plans and Responses to the
Findings and Recommendations

DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS,
PUBLIC SAFETY SERVICES



Department of Public Safety and Corrections

KATHLEEN BABINEAUX BLANCO
GOVERNOR

Public Safety Services

JILL P. BOUDREAUX
ACTING UNDERSECRETARY

May 21, 2007
DPS-02-837

Mr. Steve J. Theriot, CPA
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Deficiency in Disaster Recovery Plan

Dear Mr. Theriot:

We concur with this finding regarding Public Safety Services (DPS) has not acquired an offsite disaster recovery facility as part of its disaster recovery plan. As in the past, DPS has submitted an IT10 form to acquire an offsite disaster recovery facility as part of the budget process. The IT10 was approved by the State Office of Information Technology (OIT) but funds were not appropriated.

In addition to mirroring of critical DPS data at the Division of Administration Data Center and the establishment of a redundant site in Shreveport for its critical Law Enforcement Message System (LEMS) and NCIC inquiry system, the Department's IT staff worked closely with the State Office of Information Technology (OIT) to establish a data repository at Louisiana Tech University. This repository will contain DPS's critical data as well as critical data from other state agencies and higher education. The repository is located outside of the hurricane impact zone and should afford protection in the case of another hurricane impacting Louisiana. The repository is now operational. DPS has submitted an IT10 to acquire the necessary hardware and software for FY 07-08.

If you have any questions, please contact me at 225-925-6032.

Sincerely,



Jill Boudreaux
Acting Undersecretary

c/c Colonel Henry Whitehorn
Lt. Col. Stanley Griffin
Rex McDonald

OFFICE OF MANAGEMENT & FINANCE, P.O. BOX 86614, BATON ROUGE, LOUISIANA 70896
(225) 925-6032



Department of Public Safety and Corrections

KATHLEEN BABINEAUX BLANCO
GOVERNOR

Public Safety Services

JILL P. BOUDREAU
ACTING UNDERSECRETARY

October 10, 2007
DPS-02-913

Mr. Steve J. Theriot
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Ineffective Internal Audit Function

Dear Mr. Theriot:

We concur with this finding. Due to staffing limitations and the statutory mandated audit requirements, Public Safety Services has not been able to perform sufficient internal audits.

To address these needs Public Safety Services is creating a new position of Audit Director and reorganizing its current audit staff to perform internal audits throughout the department. The following points are identified as corrective actions:

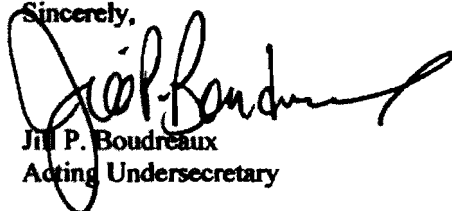
- Establish the position of Audit Director
- Develop an effective Audit Plan which encompasses all areas of Public Safety Services which have material revenues or assets.
- Continue meeting the required number of statutory mandated audits.

We anticipate having our new Internal Audit Division operational by the end of this calendar year and to begin internal audits on an expanded basis shortly thereafter.

I will be the contact person for this corrective action.

If you have any questions please feel free to contact me at 925-6032.

Sincerely,



Jill P. Boudreaux
Acting Undersecretary

Cc: Colonel Stanley Griffin, Deputy Secretary
Erin Bielkiewicz, Deputy Undersecretary

OFFICE OF MANAGEMENT & FINANCE, P.O. BOX 66614, BATON ROUGE, LOUISIANA 70896
(225) 925-6032



Department of Public Safety and Corrections

KATHLEEN BABINEAUX BLANCO
GOVERNOR

Public Safety Services
October 26, 2007
DPS-02-922

JILL P. BOUDREAUX
ACTING UNDERSECRETARY

Mr. Steve J. Theriot, CPA
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Insufficient Control Over Payroll

Dear Mr. Theriot:


In correspondence to this office, your office cited the Department of Public Safety and Corrections, Public Safety Services for insufficient control over payroll. This report from your office was based on a test of payroll including 13 randomly selected timekeepers and 599 employees (or a sample of these employees) for whom these timekeepers are responsible.

I have reviewed the audit report and the response by the section responsible for managing the payroll records. We concur with the report findings. The following points are identified as corrective actions and are anticipated to be completed by December 31, 2007:

- Retrain all agency time administrators with an on-line training course.
- We are in the process of establishing additional procedures to ensure that Time Administrators have read all policies and procedures as well as completed the DPS on-line Time Administrator training prior to being granted ISIS Time Administrator access.
- Train all DPS supervisors regarding Payroll/Time Administration Policies and Procedures.

The contact person responsible for this corrective action is Tina Boudreaux, Human Resources Director at 925-6067.

If you have any questions, please feel free to contact me at 925-6032.

Sincerely,

Jill Boudreaux,
Acting Undersecretary

Cc: Colonel Stanley Griffin, Deputy Secretary
Erin Bielkiewicz, Deputy Undersecretary

OFFICE OF MANAGEMENT & FINANCE, P.O. BOX 66614, BATON ROUGE, LOUISIANA 70896
(225) 925-6032



KATHLEEN BABINEAUX BLANCO
GOVERNOR

Department of Public Safety and Corrections

Public Safety Services

JILL P. BOUDREAU
ACTING UNDERSECRETARY

September 14, 2007
DPS-02-898

Mr. Steve J. Theriot, CPA
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Inadequate Controls Over Movable Property

The Department of Public Safety concurs with this finding. We agree that property controls must be placed as a high priority and we are diligently striving to accomplish this. As indicated in the bullet points below, the Department of Public Safety has successfully completed the following objectives:

- Centralization of receiving and tagging of all Headquarter property ensuring timely entry of property into the Protégé Asset Management System
- Transfer of responsibility for managing IT and Communications related property from Information Services to Procurement Services, Property Control Unit
- Increase security of the DPS Headquarters Property Area by installation of video security cameras and employment of DPS Security Officer

Additionally, DPS will continue its efforts to strengthen internal controls over movable property by the ongoing development of effective procedures and processes of the following within this fiscal year:

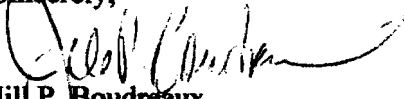
- Additional efforts will be devoted to locating movable property
- Revision of property policy and procedures with specifically defined corrective actions relating to unlocated property
- Purchase and implementation of handheld asset barcode scanners to assist in inventory tracking. The system to be integrated with LPAA's Protégé Asset Management System
- Development and implementation of an internal on-line transfer system for tracking movement of assets

OFFICE OF MANAGEMENT & FINANCE, P.O. BOX 68614, BATON ROUGE, LOUISIANA 70896
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Mr. Steve J. Theriot, CPA
Legislative Auditor
Page 2

The Department of Public Safety, Public Safety Services has made great strides in our endeavor to improve the tracking of movable property. Shannon Anderson, Procurement Director, is the responsible party for corrective action. Please feel free to contact me or Shannon for any additional information.

Sincerely,



Jill P. Boudreaux
Acting Undersecretary

c/c Colonel Stanley Griffin, Deputy Secretary
Lieutenant Colonel Dane Morgan, Chief of Staff
Shannon Anderson, Procurement Director
Rex McDonald, IT Director

Department of Public Safety and Corrections

KATHLEEN BABINEAUX BLANCO
GOVERNOR

Public Safety Services
October 23, 2007
DPS-02-916

JILL P. BOUDREAUX
ACTING UNDERSECRETARY

Mr. Steve J. Theriot
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Failure to Document Payroll Costs

Dear Mr. Theriot:

We concur with this finding. Public Safety Services fulfilled the requirements in the spirit of the interagency agreement with the Office of Community Development, but did not instigate the detailed time keeping records to support this effort.

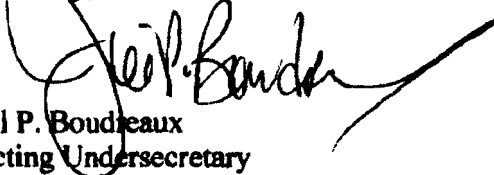
Documentation does exist and is attached to support Public Safety Services Project Manager's activities related compliance with agreement mandates such as monitoring of the sub-contractor's activities, regularly scheduled status meetings, on-site visits in the effected parish areas to meet with local officials, as well as routine interaction and project status updates provided to the OCD Contract Monitor.

Corrective action taken includes a supplemental timesheet requirement for the Public Safety Services Project Manager that was implemented on August 13, 2007 in order to properly document all hours attributed to the project. These timesheets and associated documentation to support project activities are available for any future audits or reviews.

I will be the contact person for this corrective action.

If you have any questions, please feel free to contact me at 925-6032.

Sincerely,



Jill P. Boudreaux
Acting Undersecretary

Cc: Colonel Stanley Griffin, Deputy Secretary
Erin Bielkiewicz, Deputy Undersecretary

OFFICE OF MANAGEMENT & FINANCE, P.O. BOX 66614, BATON ROUGE, LOUISIANA 70896
(225) 925-6032



Department of Public Safety and Corrections

KATHLEEN BABINEAUX BLANCO
GOVERNOR

Public Safety Services

JILL P. BOUDREAUX
ACTING UNDERSECRETARY

November 27, 2007
DPS-02-935

Mr. Steve J. Theriot, CPA
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Inadequate Sub-Recipient Monitoring


Dear Mr. Theriot:

We concur with this finding regarding Public Safety Services (DPS) did not adequately monitor sub-recipients of the Homeland Security Grant Program in the fiscal year ending June 30, 2007.

Due to a high employee turnover rate and long training process, the site visits did not take place. On September 21, 2007 the Office of State Police (OSP) transferred all management aspects for the Department of Homeland Security Grants, which include CFDA 97.067, to the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP), the State Administrative Agency. GOHSEP hired 9-Regional Coordinators to conduct monitoring visits on all sub-recipients.

The contact person responsible for the corrective action is Christina Dayries, Executive Management Officer. Ms. Dayries can be contacted at 225-922-0045. If you have any questions, please contact me at 225-925-6032.

Sincerely,



Jill P. Boudreaux
Acting Undersecretary

c/c Colonel Stanely Griffin, Deputy Secretary
Erin Bielkiewicz, Deputy Undersecretary

OFFICE OF MANAGEMENT & FINANCE, P.O. BOX 66614, BATON ROUGE, LOUISIANA 70896
(225) 925-6032



Department of Public Safety and Corrections

KATHLEEN BABINEAUX BLANCO
GOVERNOR

Public Safety Services
October 12, 2007
DPS-02-912

JILL P. BOUDREAU
ACTING UNDERSECRETARY

Mr. Steve J. Theriot, CPA
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Lack of Control over the Claims Loss Listing

Dear Mr. Theriot:

In correspondence to this office, your office cited the Department of Public Safety and Corrections, Public Safety Services in not reviewing the Claims Loss Listing quarterly for accuracy and completion. This report from your office cited instances where randomly selected claims files could not be located and/or not included in the Claims Loss Listing.

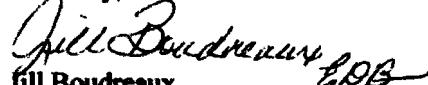
I have reviewed the audit report and the response by the section responsible for managing the agency's loss prevention program. We concur with the report findings. The following points are identified as corrective actions:

- ORM Underwriting has provided DPS Loss Prevention an "ORM Data Liaison User ID Application" to provide DPS with data access to ORM to download future Claim Listing Reports. This will be available to DPS for the second quarter FY 07-08 reporting (January 2008).
- DPS Administrative Support is investigating loss prevention software applications that can be shared by all responsible DPS entities for inputting claims, reporting on changes, monitoring files and reporting on claim closings. It is anticipated that this system will be implemented by June 30, 2007.

In regards to contacts for reports on the Corrective Action Plan, please contact George Joseph, DPS State Loss Prevention Director at 925-7745 or Jesse Davis, Administrative Director, Administrative Support at 925-7606.

If you have any questions, please feel free to contact me at 925-6032.

Sincerely,


Jill Boudreaux,
Acting Undersecretary

Cc: Colonel Stanley Griffin, Deputy Secretary
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