

**DEPARTMENT OF PUBLIC SAFETY AND
CORRECTIONS - YOUTH SERVICES -
OFFICE OF JUVENILE JUSTICE**
STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

Management Letter
Issued April 19, 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
ERNEST F. SUMMERVILLE, JR., CPA

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Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA



Department of Public Safety and Corrections – Youth Services – Office of Juvenile Justice

April 2023

Audit Control # 80220129

Introduction

As a part of our work related to the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2022, we performed procedures at the Department of Public Safety and Corrections – Youth Services – Office of Juvenile Justice (OJJ) to evaluate the effectiveness of OJJ's internal controls over a major federal program; and to determine whether OJJ complied with applicable laws and regulations.

Results of Our Procedures

Current-year Finding

Control Weakness Related to Foster Care Billings

OJJ did not adequately review Foster Care invoices submitted to the Department of Children and Family Services (DCFS) for reimbursement to ensure billings were accurately calculated. Failure to properly review invoices resulted in over billings and could result in disallowed cost by the federal grantor.

In a sample of two quarterly administrative invoices billed to DCFS totaling \$831,311 from a population of four quarterly administrative invoices totaling \$1,708,503, one (50%) invoice for the quarter ending December 2021 was calculated using incorrect expenditure data, resulting in billing errors.

These conditions occurred because of a weakness in controls in the review of Foster Care administrative invoices. Federal regulations require OJJ to establish and maintain effective internal controls designed to reasonably ensure compliance with federal requirements. Based on the methodology used, there was \$128,236 in overpayments considered questioned costs.

OJJ should strengthen controls to ensure administrative invoices submitted to DCFS are calculated accurately. Management concurred with the finding and provided a corrective action plan (see Appendix A).

Federal Compliance - Single Audit of the State of Louisiana

As a part of the Single Audit for the year ended June 30, 2022, we performed internal control and compliance testing as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) on OJJ's major federal program, Foster Care – Title IV-E (AL 93.658).

Those tests included evaluating the effectiveness of OJJ's internal controls designed to prevent or detect material noncompliance with program requirements and tests to determine whether OJJ complied with applicable program requirements.

Based on the results of these Single Audit procedures, we reported a finding related to Control Weakness Related to Foster Care Billings. This finding will also be included in the Single Audit for the year ended June 30, 2022.

The recommendation in this letter represents, in our judgment, that which will most likely bring about beneficial improvements to the operations of OJJ. The nature of the recommendation, its implementation costs, and its potential impact on the operations of OJJ should be considered in reaching decisions on courses of action.

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

LA:AD:RR:EFS:aa

OJJ2022

APPENDIX A: MANAGEMENT'S RESPONSE



April 5, 2023

Louisiana Legislative Auditor
Attn: Michael J. "Mike" Waguespack, CPA
PO BOX 94397
Baton Rouge, LA 70804-9397

RE: IV-E Administrative Foster Care Billings

Dear Mr. Waguespack:

Please allow this letter to serve as the official response for both the Management Letter and the Single Audit Report in reference to the finding concerning Control Weakness Relating to Foster Care Billings.

The Office of Juvenile Justice (OJJ) does concur with the finding. The agency and LA Department of Public Safety (DPS), Office of Management and Finance, Financial Services, which is responsible for performing the back office functions for OJJ, has a responsibility for ensuring that the Foster Care administrative invoices are properly reviewed prior to submission to the Department of Children and Family Services (DCFS) for reimbursement. Inadequate review of the invoice submission for quarter ending December 2021 resulted in an overpayment of \$128,236.00 from DCFS made to OJJ.

Effectively immediately, an additional level of review and approval of the Foster Care administrative invoices will be added to the process. Samantha Dunbar, DPS Staff Accountant, will continue to prepare the invoices, and submit the invoice and supporting documentation to Wanda Armwood, DPS Lead Staff Accountant for the first level review and approval. Once the Lead Accountant approves, the invoices and documentation will be forwarded to A'shli Oliver, DPS Accounting Manager, for the second level review and approval. Once the second level approval has been completed, the DPS Accounting Manager will submit the invoices and documentation to OJJ staff for final review and approval. Undersecretary, Jason Starnes will provide the final approval of the invoices after Karli Pullard, Program Manager at OJJ, and Cassandra Washington, Deputy Undersecretary at OJJ, have reviewed and approved the invoices submitted by DPS.

Sincerely,

Jason Starnes, Undersecretary

C: Otha "Curtis" Nelson, Jr., Deputy Secretary

APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at the Department of Public Safety and Corrections – Youth Services - Office of Juvenile Justice (OJJ) for the period from July 1, 2021, through June 30, 2022, 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 our work related to the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2022.

- We evaluated OJJ'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 OJJ.
- We performed procedures on the Foster Care – Title IV-E (AL 93.658) for the year ended June 30, 2022, as a part of the 2022 Single Audit.

The purpose of this report is solely to describe the scope of our work at OJJ, and not to provide an opinion on the effectiveness of OJJ'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 OJJ's Annual Fiscal Report, and accordingly, we do not express an opinion on that report. OJJ's accounts are an integral part of the State of Louisiana's Annual Comprehensive Financial Report, upon which the Louisiana Legislative Auditor expresses opinions.