

GOVERNOR'S OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS

HAZARD MITIGATION GRANT PROGRAM

RECOVERY ASSISTANCE SERVICES

**Agreed-Upon Procedures Report
for the period July 2025-June 2026
Issued September 23, 2026**

**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

DIRECTOR OF RECOVERY ASSISTANCE
VICTORIA HAYES, 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 is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor and online at www.la.la.gov. When contacting the office, you may refer to Agency ID No. 7430 or Report ID No. 52260005 for additional information.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. One copy of this public document was produced at an approximate cost of \$0.33. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31.

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 Jenifer Schaye, General Counsel, at 225-339-3800.

TABLE OF CONTENTS

	Page
Independent Accountant's Report.....	2
Background	6
Management's Response.....	8

September 9, 2026

Independent Accountant's Report
On the Application of Agreed-Upon Procedures

BRIGADIER GENERAL JASON P. MAHFOUZ, DIRECTOR
GOVERNOR'S OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS

Baton Rouge, Louisiana

We have performed the procedures enumerated below to assist the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) in confirming the sufficiency of documentation submitted by sub-grantees and technical assistance contractors to GOHSEP (Documentation) during the period July 1, 2025, through June 30, 2026, to support reimbursement requests under the Hazard Mitigation Grant Program (HMGP). GOHSEP management is responsible for the Documentation.

An agreed-upon procedures engagement involves the Louisiana Legislative Auditor performing specific procedures that GOHSEP management has agreed to and acknowledged to be appropriate for the intended purpose of the engagement and reporting on findings based on the procedures performed. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

GOHSEP specified a threshold of \$500 for reporting exceptions; therefore, we did not report any exceptions noted below this amount.

OVERALL RESULTS

For the period July 1, 2025, through June 30, 2026, we performed procedures on the Documentation for 897 reimbursement requests totaling \$87,224,282. As a result of applying our procedures, we noted exceptions, which exceed \$500 per reimbursement request, totaling \$6,838,536 (7.84%) in 141 reimbursement requests. The following table presents the overall results of our procedures.



Exceptions				
Finding Type	Number of Occurrences	Total Exception Amount*	Percent of Total Exceptions	Total Amount Resolved**
Out-of-Scope	22	\$849,066	12.42%	\$674,963
Lack of Support	94	4,646,487	67.95	6,420,376
Procurement Not Documented	18	1,254,372	18.34	2,117,162
Ineligible Costs	3	50,674	0.74	149,283
Errors	4	37,937	0.55	27,384
Total	141	\$6,838,536	100%	\$9,389,168

*Does not include exceptions noted in prior periods or exceptions of \$500.00 or less.

**Includes exceptions noted in prior periods but resolved in the current period.

The procedures and associated findings are as follows:

PROCEDURE 1: We confirmed that the work reflected in the reimbursement request is within the scope approved for the project and that the requested amount does not exceed the funding parameters.

FINDING 1: We identified 22 reimbursement requests where \$849,066 of the work (12.42% of the exceptions identified) was not within the approved scope of the project.

Through our subsequent application of this procedure on reimbursement requests from the current and prior reporting periods, we noted that the sub-grantees provided approved amended scopes of work to support \$674,963 of the exceptions noted for out-of-scope expenses.

PROCEDURE 2: We confirmed that the requested amount is 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.

FINDING 2: We identified 94 reimbursement requests where \$4,646,487 of expenses (67.95% of the exceptions identified) were not supported by sufficient documentation.

Through our subsequent application of this procedure on reimbursement requests from the current and prior reporting periods, we noted that GOHSEP either reduced the requested

amount or the sub-grantees provided sufficient documentation to support \$6,420,376 of the exceptions noted for lack of support.

PROCEDURE 3: We confirmed that contracts and purchases totaling more than \$10,000 per vendor per calendar year comply with applicable Federal and State procurement requirements.

FINDING 3: We identified 18 reimbursement requests for contracts greater than \$10,000 where we could not confirm that applicable procurement guidelines had been followed for purchases totaling \$1,254,372 (18.34% of the exceptions identified).

Through our subsequent application of this procedure on reimbursement requests from the current and prior reporting periods, we noted that GOHSEP either reduced the requested amount or the sub-grantees provided additional documentation to support \$2,117,162 of the exceptions noted for unsupported procurement.

PROCEDURE 4: We confirmed that the work reflected in the reimbursement request complies with applicable FEMA regulations and guidance.

FINDING 4: We identified three reimbursement requests where \$50,674 of expenses (0.74% of the exceptions identified) were not in compliance with applicable FEMA regulations and guidance.

Through our subsequent application of this procedure on reimbursement requests from the current and prior reporting periods, we noted that GOHSEP either reduced the requested amount or the sub-grantees provided additional documentation to support \$149,283 of the exceptions noted for ineligible expenses.

PROCEDURE 5: We confirmed that the expenses uploaded to gohsepgrants.la.gov for each reimbursement request do not contain duplicate invoices, incorrect vendor information, and/or incorrect invoice amounts.

FINDING 5: We identified four reimbursement requests where \$37,937 of expenses (0.55% of the exceptions identified) were duplicated, included incorrect vendor information, and/or incorrect invoice amounts.

Through our subsequent application of this procedure on reimbursement requests from the current and prior reporting periods, we noted that GOHSEP either reduced the requested amount or the sub-grantees provided additional documentation to support \$27,384 of the exceptions noted for errors.

PROCEDURE 6: We accumulated the total potential questioned costs and resolved amounts noted during our analysis of reimbursement requests.

FINDING 6: During our analysis of reimbursement requests totaling \$1,756,762,158 for the period April 1, 2008, through June 30, 2026, we identified potential questioned costs totaling \$338,990,341 (19.30%), of which a total of \$270,337,939 (79.75%) was resolved.

We were engaged by GOHSEP management to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the applicable attestation standards contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to, and did not conduct, an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the Documentation. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of GOHSEP and to meet our other ethical responsibilities in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is to present the procedures performed and the results of those procedures and is not intended for any other purpose. This report is intended solely for the information and use of GOHSEP management, and is not intended to be, and should not be, used by anyone other than this specified party. By provision of state law, this report is a public document and has been distributed to the appropriate public officials.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Mike Waguespack', with a stylized flourish at the end.

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MW/aa

GOHSEP-HM 2026

BACKGROUND

The Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) is the state agency responsible for responding to, and helping the state recover from, all natural and man-made emergencies and reducing the loss of life and property through an all-hazards emergency management program of prevention, mitigation, preparedness, response, and recovery. One of the programs GOHSEP uses to accomplish its mission is the Hazard Mitigation Grant Program (HMGP). The HMGP assists local governments with funding cost-effective actions that reduce the risk of property damage while simultaneously reducing reliance on federal disaster funds.

Hazard mitigation projects are intended to strengthen facilities and communities, making them less vulnerable to future disaster impacts. Examples of typical mitigation activities include:

- *Elevating flood-prone structures* - physically raising an existing structure above the base flood elevation;
- *Acquiring flood-prone structures* - purchasing structures and converting the land to green space in perpetuity;
- *Localized drainage improvements* - reducing localized flooding by increasing drainage capacity;
- *Safe-room construction* - providing immediate, nearby life-safety protection against either tornado or hurricane winds; and
- *Wind retrofitting structures* - hardening the envelope of a structure to protect against high winds. The envelope is the shell of the structure (including the doors, roof covering, windows, and walls) that maintains a dry, heated, or cooled indoor environment.

Sub-grantees submit reimbursement requests and supporting documentation to GOHSEP for payment through the HMGP. Our engagement with GOHSEP requires the Louisiana Legislative Auditor's (LLA) document review team to perform procedures on the documentation submitted by sub-grantees and technical assistance contractors.

GOHSEP's documentation review process begins when sub-grantees and technical assistance contractors submit reimbursement requests and supporting documentation. The GOHSEP disaster recovery specialists review the requests and gather any additional documentation deemed necessary to fully support them. The disaster recovery specialists document the results of their reviews on requests for advance or reimbursement and then submit the forms and all supporting documentation to the team leads. After the team leads review the requests for advance or reimbursement and all supporting documentation, they submit them to

the LLA document review team to be reviewed under our agreed-upon procedures engagement.

The LLA document review team performs procedures on the documentation submitted by sub-grantees and technical assistance contractors under the HMGP. Unsupported costs exceeding \$500 are considered exceptions and are reported. The LLA document review team communicates the results of their review to GOHSEP management via Findings of Review. When exceptions are noted, GOHSEP management decides whether to correct the exceptions or fund the requests. If GOHSEP management decides to correct the exceptions, the disaster recovery specialists gather additional documentation. Then, LLA's document review team performs the same agreed-upon procedures on the additional documentation. This process allows GOHSEP the opportunity to correct exceptions prior to final payment, thus eliminating questioned costs.

MANAGEMENT'S RESPONSE



JEFF M. LANDRY
GOVERNOR

State of Louisiana

LOUISIANA NATIONAL GUARD

Governor's Office of Homeland Security and Emergency Preparedness
7667 Independence Boulevard
Baton Rouge, LA 70806

JASON P. MAHFOUZ
BRIGADIER GENERAL
DIRECTOR

THOMAS C. FRILOUX
MAJOR GENERAL
THE ADJUTANT GENERAL

NGLA-GOH

16 September 2026

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

RE: Management's Response – Agreed-Upon Procedures
Hazard Mitigation Grant Program Report July 2025 – June 2026

Dear Mr. Waguespack:

The Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) has reviewed the draft agreed-upon procedures report, prepared by the Louisiana Legislative Auditor's (LLA) Recovery Assistance Division for the Hazard Mitigation Grant Program (HMGP), covering the period of July 1, 2025, through June 30, 2026. We appreciate the continued efforts of your team and value the observations and recommendations provided during this engagement.

During the review period, GOHSEP processed 897 HMGP reimbursement requests for a total of \$87,224,282 from eligible subrecipients. The current agreed-upon procedures report reflects an overall exception rate of 7.84% (\$6,838,536), requiring additional documentation for or correction to 141 reimbursement requests, prior to GOHSEP releasing payment, as per GOHSEP's process. Also noted in the report is that \$9,389,168 worth of exceptions that were identified over prior reporting periods were resolved in the current period, demonstrating GOHSEP's success in issue resolution and adherence to our policy prior to release of funds.

The majority of exceptions (67.95%) were related to lack of supporting documentation. These findings highlight the importance of ensuring that reimbursement requests are fully supported by appropriate records and point to opportunities for continued improvement in documentation practices across the program, both at the local and state level. Importantly, these findings represent reimbursement requests that were identified and returned prior to payment disbursement. In nearly all cases, the exceptions were resolved through additional documentation or corrective actions before funds were released. This reflects the strength of GOHSEP's internal

review and oversight process and demonstrates our proactive approach to refining front-end reviews to further reduce the number of exceptions identified.

We are also encouraged that the overall exception rate declined from 12.41% in the prior reporting period to 7.84% in the current period, reflecting continued improvement in documentation practices among sub-grantees and technical assistance contractors, even as the total dollar volume of reimbursement requests reviewed increased.

While the current period reflects overall improvement, GOHSEP recognizes two categories that warrant continued focus. Exceptions related to out-of-scope work increased from \$651,868 (7.43% of total exceptions) in the prior period to \$849,066 (12.42%) in the current period, and exceptions related to unsupported procurement increased from \$904,735 (10.32%) to \$1,254,372 (18.34%). GOHSEP will address these trends by reinforcing the scope-amendment approval process with sub-grantees before work begins, and by expanding technical assistance and training on federal and state procurement thresholds and required documentation for contracts exceeding \$10,000 per vendor. GOHSEP is committed to reducing exceptions in these categories in future reporting periods.

GOHSEP continues to make progress in this critical area by providing increased support to HMGP participants through outreach by the State Applicant Liaisons (SALs), by providing technical assistance, and by leveraging other GOHSEP staff expertise. Training and education are top priorities for GOHSEP, and these reports are instrumental in ensuring that both internal and external stakeholders receive proper guidance. The information and insights your staff provides are instrumental in this effort, helping guide our outreach to subrecipients and improve the accuracy and efficiency of our subsequent reviews. GOHSEP values this partnership and remains committed to working collaboratively to ensure program compliance and accountability.

GOHSEP remains fully committed to the responsible administration of the Hazard Mitigation Grant Program. We continue refining internal controls, expanding technical assistance, and reinforcing clear guidance to subrecipients to reduce recurring issues and improve program delivery. We value the continued partnership with your office and the guidance your team provides, which supports our ongoing improvement and strengthens Louisiana's ability to reduce disaster risk and protect its citizens.

Sincerely,

Sandra D. Gaspard Digitally signed by Sandra D. Gaspard
Date: 2026.09.16 13:24:23 -05'00'

Sandra D. Gaspard
Deputy Director
Recovery Division

SG:bb