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Report Highlights

Department of Public Safety and Corrections - Public Safety Services

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Why We Conducted This Work

We conducted procedures at the Department of Public Safety and Corrections – Public Safety Services (DPS) to evaluate certain controls DPS uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and overall accountability over public funds for the period July 1, 2016, through June 30, 2018.

What We Found

- DPS employees did not adhere to established controls over payroll to ensure time sheets are accurately recorded, timely certified and approved, and reflect hours actually worked. In addition, two agencies within DPS reported instances of possible employee misappropriations related to payroll.
- DPS was unable to provide support to determine that statutorily dedicated funds from the New Orleans Public Safety Fund totaling approximately \$2.4 million were spent for public safety services in the New Orleans area as required by Louisiana Revised Statute 40:1402.

Based on the results of procedures performed on other statutorily dedicated funds, expenditures of the Unified Carrier Registration Agreement Fund and the Insurance Verification System Fund complied with state law.

- Louisiana Office of State Police (LSP) did not ensure that all property purchased by the department was timely tagged and recorded in the state property system and properly safeguarded in accordance with state property regulations. LSP's movable property function is hampered by inaccurate and incomplete information included in the Louisiana Property Assistance Agency (LPAA) Asset Management Platform (AMP) system; the decentralization of movable property at various locations combined with a lack of accountability and training of property custodians; and a lack of detailed uniform movable property policies and procedures across locations.
- An employee of the Office of Management and Finance (OMF) within DPS was arrested for theft of public assets by making personal purchases with a state LaCarte purchasing card. As a result of the alleged misappropriation, we performed procedures to review controls over LaCarte purchases within OMF. Based on this review, we determined that DPS employees did not adhere to department policies and procedures requiring adequate support and timely review of purchases made on the LaCarte card and ensuring that purchases are not artificially divided. In addition, DPS did not have controls in place to ensure that movable property purchased with the LaCarte card is properly tagged and entered into the LPAA AMP system.

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What We Found (Cont.)

- Upon investigation by management of the Office of Motor Vehicles (OMV) within DPS, it was determined that OMV employees had diverted public funds for personal use and violated state laws. Between March 2017 and June 2017, three employees of OMV were arrested for theft of at least \$98,507 in customer payments at various field offices. In addition, an employee of a Public Tag Agency (PTA) contracting with the department was arrested for computer fraud and filing or maintaining false records. All three OMV employees were terminated. The PTA employee was banned from working for OMV or another PTA, and the contract with the PTA was cancelled.
- OMV employees did not adhere to existing policies and procedures over cash to ensure that errors or the misappropriation of public funds are prevented or timely detected. We performed procedures at seven OMV field offices and discovered that documentation to support daily transactions was incomplete and did not contain the elements required by department policies. In addition, at certain field offices, there was no documentation to support that the OMV required supervisory site visits and audits had been performed.
- The Office of the State Fire Marshal within DPS did not have adequate controls in place to ensure that all amusement ride inspection fees were collected, appropriately supported, and timely deposited in accordance with state regulations.
- An internal audit report issued on May 10, 2018, by DPS identified multiple issues related to the administration of Louisiana Highway Safety Commission's (LHSC) federal awards it receives from the National Highway Traffic Safety Administration (NHTSA). During fiscal year 2017, LHSC did not have adequate controls in place to ensure that claims were accurate, fully supported, made for the purpose of the grant, and paid prior to submitting a voucher to the federal grantor. In addition, vouchers submitted to the federal grantor were not in compliance with the grant award requirements.
- An internal audit report issued on May 10, 2018, by DPS noted that LHSC did not have adequate controls over expenditures to safeguard public resources, ensure transactions were for state business purposes, and complied with state laws and regulations. LHSC employees did not follow state policies and procedures governing expenditures. Furthermore, there was inadequate review by approvers to ensure that expenditures charged were reasonable and in compliance with state regulations.
- An internal audit report issued on May 10, 2018, by DPS noted that LHSC did not comply with state travel regulations. The internal audit report found that travel expenditures were not properly authorized and approved, were not within state travel allowances, and lacked adequate supporting documentation.
- For the third consecutive year, DPS failed to ensure federal funds were drawn according to federal regulations for the Alcohol Open Container Requirements and Minimum Penalties for Repeated Offenders for Driving While Intoxicated federal programs. Audit procedures disclosed that for nine (15%) of 60 cash draw transactions, the time elapsing between the drawdown of federal funds and disbursements to subrecipients ranged from 23 to 62 days.