

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

FIRST QUARTER, FISCAL YEAR 2021



REPORT TO THE JOINT LEGISLATIVE
COMMITTEE ON THE BUDGET
ISSUED OCTOBER 2020

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

October 5, 2020

Chairman Bodi White and Members of the
Joint Legislative Committee on the Budget

Dear Chairman White 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, including failure to report as required, 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 first quarter of Fiscal Year 2021. 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".

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/ch

ACT 461 REPORTING – OCTOBER 2020

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STATE AGENCIES

Acadiana Area Human Service District (AAHSD)

- **(Repeat)** AAHSD did not bill Medicare, Medicaid, and private insurance companies in accordance with insurers' contracts and therefore potentially failed to collect \$384,070 of self-generated revenues for services provided. *(Amount: \$384,070) (p.1)*

Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) - Hazard Mitigation Program

- Completed work was not within the scope of the approved project. *(Amount: \$894,681) (p.2)*
- Expense reimbursements were not supported by invoices, receipts, lease agreements, contracts, labor policies, time records, equipment logs, federal settlement statements, appraisals, elevation certificates, duplication of benefits verifications, engineer plans, inspection photographs, or other applicable documentation. *(Amount: \$1,713,334) (p.2-3)*

Since April 1, 2008, the LLA has noted exceptions totaling \$289,782,784, which includes \$2,724,523 noted this period, and GOHSEP has resolved \$197,482,781, which includes \$5,067,322 resolved this period.

Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) - Public Assistance Program

- Completed work was not within the scope of the approved project. *(Amount: \$2,880,459) (p.3)*
- Expense reimbursements were not supported by invoices, receipts, lease agreements, contracts, labor policies, time records, equipment logs, inventory records, or other applicable documentation. *(Amount: \$15,003,668) (p.3)*
- Contracts and purchases totaling more than \$30,000 per vendor per calendar year did not comply with applicable federal and state procurement requirements. *(Amount: \$3,448,500) (p.3)*
- Work reflected in the expense reimbursements did not comply with applicable federal regulations and guidance. *(Amount: \$2,419,146) (p.3)*
- GOHSEP's cost estimating tool and/or expense review form either omitted or contained duplicate and/or incorrectly categorized expenses. *(Amount: \$291,691) (p.3-4)*

Since April 1, 2008, the LLA has noted exceptions totaling \$1,314,224,516, which includes \$24,043,464 noted this period, and GOHSEP has resolved \$1,229,061,977, which includes \$14,264,232 resolved this period.

Louisiana Department of Health

- From August 1, 2019, through March 9, 2020, we identified 315 individual providers who billed for more than 12 hours of combined PSR and/or CPST services in a single calendar day. These providers improperly billed at least \$293,080 for services provided in excess of 12 hours. (*Amount: \$293,080*) (p.2)

Louisiana State University at Eunice (LSUE)

- LSUE failed to maintain adequate controls over cash receipts and, as a result, was unable to account for missing receipt numbers from handwritten receipt booklets. We tested cash receipts from October 23, 2019, through November 7, 2019, and identified 146 receipt numbers that were unable to be accounted for by LSUE. (*Amount: Unknown*) (p.2)

Louisiana State University at Shreveport (LSUS)

- **(Repeat)** For the second consecutive engagement, LSUS does not have adequate controls over its outstanding student account balances. Students are allowed to register in current semester classes while owing prior semester balances. Also the aged receivables report in its student accounting system has issues with the data output, and the reports do not reconcile with the general ledger. (*Amount: \$2.4 million*) (p.1)

River Parishes Community College (RPCC)

- **(Repeat)** For the second consecutive engagement, RPCC did not have adequate controls over outstanding student account balances, increasing the risk for delinquent accounts to continually increase and become uncollectable resulting in lost revenue. This finding included that RPCC did not write off student-related account balances as required by Louisiana Community and Technical College System and RPCC policies. Based on reports provided by management, account balances totaling approximately \$1,056,568 that were more than two years old were not written off. (*Amount: \$1,056,568*) (p.2)

LOCAL GOVERNMENT AGENCIES

We did not issue any local government agency reports that met the Act 461 criteria this quarter.