

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

THIRD QUARTER, FISCAL YEAR 2016



REPORT TO THE JOINT LEGISLATIVE
COMMITTEE ON THE BUDGET
ISSUED APRIL 2016

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

April 13, 2016

Chairman Eric LaFleur and Members of the
Joint Legislative Committee on the Budget

Dear Chairman LaFleur 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, 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 third quarter of Fiscal Year 2016. 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,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/ch

ACT 461 REPORTING – APRIL 2016

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STATE AGENCIES

Agency Name	Parish	Issue Date	Fiscal Year End/ Scope	Link to LLA report	Finding Description	Page No.	Amount
Department of Public Safety and Corrections - Youth Services - Office of Juvenile Justice	Statewide	1/20/2016	6/30/2015	Report	OJJ incorrectly billed the primary recipient agency, Department of Children and Family Services, for reimbursement of Foster Care administrative costs, resulting in estimated potential overbillings of \$601,424, which if disallowed may need to be returned to the federal grantor.	2	\$601,424
Department of Public Safety and Corrections - Youth Services - Office of Juvenile Justice (Repeat)	Statewide	1/20/2016	6/30/2015	Report	OJJ did not have adequate support (for the second year in a row) or used unapproved rates in making Foster Care maintenance payments totaling \$2,723,539 to seven residential care facilities for the fiscal year ended June 30, 2015, increasing the risk that costs could be disallowed, requiring repayment to the federal grantor.	3	\$2,723,539
Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP)*	Statewide	3/22/2016	6/30/2016	Report	Completed work was not within the scope of the approved project.	3	\$8,358,263

Agency Name	Parish	Issue Date	Fiscal Year End/ Scope	Link to LLA report	Finding Description	Page No.	Amount
Governor's Office of Homeland Security and Emergency Preparedness	Statewide	3/22/2016	6/30/2016	Report	Expense reimbursements were not supported by invoices, receipts, lease agreements, contracts, labor policies, time records, equipment logs, inventory records, or other applicable documentation.	3	\$35,248,800
Governor's Office of Homeland Security and Emergency Preparedness	Statewide	3/22/2016	6/30/2016	Report	Contracts and purchases totaling more than \$10,000 per vendor per calendar year did not comply with applicable federal and state procurement requirements.	3	\$28,501,669
Governor's Office of Homeland Security and Emergency Preparedness	Statewide	3/22/2016	6/30/2016	Report	Work reflected in the expense reimbursements did not comply with applicable FEMA regulations and guidance.	3	\$9,948,696
Governor's Office of Homeland Security and Emergency Preparedness	Statewide	3/22/2016	6/30/2016	Report	GOHSEP's cost estimating tool and/or expense review form either omitted or contained duplicate and/or incorrectly categorized expenses.	3-4	\$722,111
Governor's Office of Homeland Security and Emergency Preparedness	Statewide	3/22/2016	6/30/2016	Report	Completed work was not within the scope of the approved project.	2	\$333,940

Agency Name	Parish	Issue Date	Fiscal Year End/ Scope	Link to LLA report	Finding Description	Page No.	Amount
Governor's Office of Homeland Security and Emergency Preparedness	Statewide	3/22/2016	6/30/2016	Report	Expense reimbursements were not supported by invoices, receipts, lease agreements, contracts, labor policies, time records, equipment logs, inventory records, or other applicable documentation.	2-3	\$2,584,169
Governor's Office of Homeland Security and Emergency Preparedness	Statewide	3/22/2016	6/30/2016	Report	Contracts and purchases totaling more than \$10,000 per vendor per calendar year did not comply with applicable federal and state procurement requirements.	3	\$10,486,300

*Since March 2008, LLA has noted exceptions totaling \$897,388,745, which includes the \$82,779,539 noted this period, and GOHSEP has resolved \$769,619,508, which includes the \$56,947,843 resolved this period.

LOCAL GOVERNMENT AGENCIES

Agency Name	Parish	Issue Date	Fiscal Year End	Link to LLA report	Finding Description	Page No.	Amount
Bunches Bend Protection District	East Carroll	3/23/2016	12/31/2015	Report	District purchased dirt at a cost of \$294,000 in connection with its levee improvement project without advertising for bids as required by the public bid law.	30	\$294,000
City of Lafayette	Lafayette	3/9/2016	6/30/2016	Report	Expenses were submitted for reimbursement under the FEMA Public Assistance Program that are not eligible for reimbursement.	2-4	\$292,866
City of New Roads	Pointe Coupee	3/9/2016	6/30/2016	Report	Expenses were submitted for reimbursement under the FEMA Public Assistance Program that are not eligible for reimbursement.	2-4	\$301,332
City of New Roads	Pointe Coupee	3/9/2016	6/30/2016	Report	Expenses were submitted for reimbursement under the FEMA Public Assistance Program that are not supported.	2, 7-9	\$224,766
District Attorney for the 9th Judicial District	Rapides	3/30/2016	12/31/2015	Report	Seized Cash Assets Not Deposited	4	\$1,342,821

Agency Name	Parish	Issue Date	Fiscal Year End	Link to LLA report	Finding Description	Page No.	Amount
Orleans Parish Clerk of Court Criminal District Court	Orleans	3/23/2016	12/31/2015	Report	Clerk of Court Did Not Follow Proper Procedures for Election Reimbursements from the Louisiana Secretary of State	4	\$386,583
Orleans Parish Sheriff	Orleans	3/30/2016	12/31/2015	Report	Ineligible Employees Received State Supplemental Pay	5	\$1,026,083
Orleans Parish Sheriff	Orleans	3/30/2016	12/31/2015	Report	OPSO Failed to Properly Apply Public Bid Law for House of Detention Renovations	12	\$231,820
Sabine Parish Police Jury	Sabine	3/23/2016	12/31/2015	Report	Parish Transportation Act - Individual Police Jurors Directed Road Maintenance Work	4	\$378,682
Southwest Louisiana Electric Membership Corporation	Lafayette	3/9/2016	6/30/2016	Report	Expenses were submitted for reimbursement under the FEMA Public Assistance Program that are not eligible for reimbursement.	2-4	\$367,537