

# **GOVERNOR'S OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS**

STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

**Management Letter**  
**Issued March 13, 2024**

**LOUISIANA LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
POST OFFICE BOX 94397  
BATON ROUGE, LOUISIANA 70804-9397**

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MICHAEL J. "MIKE" WAGUESPACK, CPA

**FIRST ASSISTANT LEGISLATIVE AUDITOR**  
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# Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA



**Governor's Office of Homeland Security  
and Emergency Preparedness**

March 2024

*Audit Control # 80230069*

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## Introduction

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As a part of our audit of the State of Louisiana's Annual Comprehensive Financial Report and our work related to the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2023, we performed procedures at the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) to provide assurances on financial information that is significant to the state's Annual Comprehensive Financial Report; evaluate the effectiveness of GOHSEP's internal controls over financial reporting and compliance; and determine whether GOHSEP complied with applicable laws and regulations.

## Results of Our Procedures

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### **Current-year Finding**

#### **Noncompliance with Reporting Requirements for the Federal Funding Accountability and Transparency Act**

GOHSEP did not comply with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements for the Flood Mitigation Assistance program. As of June 30, 2023, GOHSEP had not entered subaward information into the FFATA Subaward Reporting System (FSRS) for any of the 50 subawards of \$30,000 or more totaling \$125,920,379.

Federal regulations require the non-federal entity to report certain information about each obligating action that equals or exceeds \$30,000 in federal funds for a subaward to a non-federal entity into the FSRS no later than the end of the month following the month in which the obligation was made. GOHSEP management indicated that these reporting issues occurred due to limited access to the FSRS to enter the awards meeting the requirement. Not reporting obligating actions to FSRS prevents the public from having access to accurate information on how GOHSEP is obligating federal funds.

GOHSEP should strengthen internal controls to ensure that appropriate personnel have the necessary access to FSRS and are timely entering the required award information for FFATA reporting in accordance with federal requirements.

Management concurred with the finding and provided a corrective action plan (see Appendix A).

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### **Annual Comprehensive Financial Report – State of Louisiana**

As a part of our audit of the Annual Comprehensive Financial Report for the year ended June 30, 2023, we considered internal control over financial reporting and examined evidence supporting GOHSEP's federal revenues, non-payroll expenditures, receivables, payables, unearned revenues, and advances.

Based on the results of these procedures, we did not report any findings. In addition, the account balances and classes of transactions tested are materially correct.

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### **Federal Compliance - Single Audit of the State of Louisiana**

As a part of the Single Audit for the year ended June 30, 2023, 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 GOHSEP's major federal programs, as follows:

- Emergency Rental Assistance Program (Assistance Listing 21.023)
- Homeowner Assistance Fund (Assistance Listing 21.026)
- Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing 21.027)
- Flood Mitigation Assistance (Assistance Listing 97.029)
- Disaster Assistance Projects (Assistance Listing 97.088)

Those tests included evaluating the effectiveness of GOHSEP's internal controls designed to prevent or detect material noncompliance with program requirements and tests to determine whether GOHSEP complied with applicable program requirements. In addition, we performed procedures on information submitted by GOHSEP to the Division of Administration's Office of Statewide Reporting and Accounting Policy for the preparation of the state's Schedule of Expenditures of Federal Awards (SEFA), as required by Uniform Guidance.

Based on the results of these Single Audit procedures, we reported a finding related to Noncompliance with Reporting Requirements for the Federal Funding Accountability and Transparency Act. This finding will also be included in the Single

Audit for the year ended June 30, 2023. In addition, GOHSEP's information submitted for the preparation of the state's SEFA, as adjusted, is materially correct.

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### **Trend Analysis**

We compared the most current and prior-year financial activity using GOHSEP's Annual Fiscal Reports and/or system-generated reports and obtained explanations from GOHSEP's management for any significant variances.

The recommendation in this letter represents, in our judgment, that which will most likely bring about beneficial improvements to the operations of GOHSEP. The nature of the recommendation, its implementation costs, and its potential impact on the operations of GOHSEP should be considered in reaching decisions on courses of action. The finding related to GOHSEP's compliance with applicable laws and regulations should be addressed immediately by management.

Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Mike Waguespack", with a stylized flourish extending to the right.

Michael J. "Mike" Waguespack, CPA  
Legislative Auditor

CB:NM:RR:BQD:aa

GOHSEP2023



## **APPENDIX A: MANAGEMENT'S RESPONSE**

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**Governor's Office of Homeland Security  
And Emergency Preparedness  
State of Louisiana**

JEFF LANDRY  
GOVERNOR



JACQUES THIBODEAUX  
DIRECTOR

February 16, 2024

Mr. Michael J. "Mike" Waguespack, CPA  
Louisiana Legislative Auditor  
1600 North 3<sup>rd</sup> Street  
P.O. Box 94397  
Baton Rouge, LA 70804

RE: FY23 Single Audit Report of Louisiana  
GOHSEP's Management Response to Finding Related to FFATA

Dear Mr. Waguespack:

The Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) hereby provides this response to the fiscal year 2023 single audit finding. As requested in your January 25, 2024 correspondence, please see the details of our response below:

- This response is provided for the revised finding, "Noncompliance with Reporting Requirements for the Federal Funding Accountability and Transparency Act (FFATA)."
- GOHSEP concurs with the individual finding and recommendation:
  - While all FY23 FMA obligation entries were made into FSRS, GOHSEP concedes that the FSRS entries were not made in accordance with the portion of 2 CFR Part 170, Appendix A(I)(a) which requires the entries to be made by the end of the month following the month in which the obligation was made.
    - As discussed with LLA staff, GOHSEP encountered issues with staff having limited access to all necessary grants in FSRS.
    - Also as previously discussed, GOHSEP Hazard Mitigation Assistance (HMA) is currently unable to use the FFATA reporting feature in GOHSEP Grants (system of record) to import the data into FSRS.
  - GOHSEP concurs with LLA's recommendation that GOHSEP should strengthen internal controls to ensure that appropriate personnel have the necessary access to FSRS and are timely entering the required award information for FFATA reporting in accordance with federal requirements.

A.1


Mr. Michael J. "Mike" Waguespack  
February 16, 2024

- Corrective Action Plan:
  - Persons responsible for corrective action:
    - Sandra D. Gaspard (Assistant Director, HMA)
    - Jeffrey Giering (Executive Officer, HMA)
  - Corrective Action Planned:
    - Identify additional HM staff that will be responsible for accurate and timely FSRS entry and reporting (prime contact plus support staff)
    - Access to Grants/Subgrants in FSRS: GOHSEP will work with FEMA and other Federal contacts as required to ensure all assigned staff have the proper access and permissions to edit all HMA grants/subgrants as necessary.
    - GOHSEP HMA will continue working with GOHSEP IT and with the GOHSEP Grants vendor to ensure that the FFATA reporting function in the system becomes functional and continues working correctly. This will enable HMA staff to more accurately and efficiently enter the required obligation information into FSRS, versus a manual process.
  - Anticipated Completion Date:
    - We estimate that the appropriate staff will have proper access to the FSRS within 30-90 days, depending on timeline of federal permissions approval. Data entry in the system will proceed via a manual process and will be monitored for timely entry, as per 2 CFR Part 170, Appendix A (I)(a).
    - Due to the need for technical assistance and potentially for funding for a system enhancement on the GOHSEP Grants portion, we estimate this will be complete in 90-180 days.

We appreciate your assistance with this matter. If you need additional information, please contact Sandra D. Gaspard, Assistant Director, HMA at 985-969-0410 or via email at [Sandra.Dugas@la.gov](mailto:Sandra.Dugas@la.gov).

Sincerely,  
**Sandra D.  
Gaspard**

Sandra D. Gaspard  
Assistant Director  
Hazard Mitigation Assistance

 Digitally signed by Sandra D. Gaspard  
DN: cn=Sandra D. Gaspard, o=Hazard  
Mitigation, ou=GOHSEP,  
email=sandra.dugas@la.gov, c=US  
Date: 2024.02.16 14:17:00 -06'00'

## APPENDIX B: SCOPE AND METHODOLOGY

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We performed certain procedures at the Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP) for the period from July 1, 2022, through June 30, 2023, to provide assurances on financial information significant to the State of Louisiana’s Annual Comprehensive Financial Report, and 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 the audit of the Annual Comprehensive Financial Report and our work related to the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2023.

- We evaluated GOHSEP’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 GOHSEP.
- Based on the documentation of GOHSEP’s controls and our understanding of related laws and regulations, we performed procedures to provide assurances on certain account balances and classes of transactions to support our opinions on the Annual Comprehensive Financial Report.
- We performed procedures on the Emergency Rental Assistance Program (Assistance Listing 21.023), Homeowner Assistance Fund (Assistance Listing 21.026), Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing 21.027), Flood Mitigation Assistance (Assistance Listing 97.029), and Disaster Assistance Projects (Assistance Listing 97.088) for the year ended June 30, 2023, as a part of the 2023 Single Audit.
- We performed certain procedures on information for the preparation of the state’s Schedule of Expenditures of Federal Awards for the year ended June 30, 2023, as a part of the 2023 Single Audit.
- We compared the most current and prior-year financial activity using GOHSEP’s Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from GOHSEP’s management for significant variances.

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