

GOVERNOR'S OFFICE OF HOMELAND SECURITY  
AND EMERGENCY PREPAREDNESS  
HAZARD MITIGATION GRANT PROGRAM  
OCTOBER 2008 - DECEMBER 2008



AGREED-UPON PROCEDURES REPORT  
ISSUED APRIL 29, 2009

**LEGISLATIVE AUDITOR  
1600 NORTH THIRD STREET  
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BATON ROUGE, LOUISIANA 70804-9397**

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STEVE J. THERIOT, CPA

**DIRECTOR OF RECOVERY ASSISTANCE**  
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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 has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

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LOUISIANA LEGISLATIVE AUDITOR  
STEVE J. THERIOT, CPA

April 29, 2009

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

**MARK A. COOPER, DIRECTOR**  
**GOVERNOR'S OFFICE OF HOMELAND**  
**SECURITY AND EMERGENCY PREPAREDNESS**  
Baton Rouge, Louisiana

We have performed the procedures enumerated below under the agreed-upon procedures engagement for the Hazard Mitigation Grant, Pre-Disaster Mitigation, Flood Mitigation Assistance, Severe Repetitive Loss, and Repetitive Flood Claims Programs (collectively hazard mitigation programs) for the fourth quarter of 2008 (October 1 through December 31), which were requested and agreed to by you, primarily to assist in evaluating the operations of the state's hazard mitigation programs. GOHSEP management is responsible for the day-to-day operations of the hazard mitigation programs. This agreed-upon procedures engagement was conducted 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. The sufficiency of these procedures is solely the responsibility of management of GOHSEP. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We reviewed 77 reimbursement requests totaling \$10,451,394 and supporting documentation as prepared by the GOHSEP disaster recovery specialists and the fiscal analysts. The procedures we performed and our findings are as follows:

**Procedure**

Verify that the sub-grantee submitted an SF 270 (Request for Advance or Reimbursement).

**Finding**

No exceptions noted.

**Procedure**

Review mathematical calculations performed by GOHSEP personnel.

**Finding**

In two of our reviews, the mathematical calculations performed by GOHSEP personnel were incorrect.

- An advance request totaling \$729,870 exceeded the allowed amount by \$200,082. In accordance with GOHSEP's Hazard Mitigation advance policy, the maximum amount allowed cannot exceed 20% of the total non-applicant share of the project cost. Subsequent to the reporting period, GOHSEP personnel obtained a correct SF 270 and resubmitted the advance request for our review. We did not note any deficiencies in the subsequent review.
- A sub-grantee requested a reimbursement of documented expenses, as well as an advance on one SF 270. The SF 270 was not completed correctly. Subsequent to our review, GOHSEP personnel obtained a correct SF 270 and resubmitted the reimbursement request for our review. We did not note any deficiencies in the subsequent review.

**Procedure**

Verify that the calculations are in accordance with funding parameters.

**Finding**

No exceptions noted.

**Procedure**

Verify that the invoices, billings, photographs of work, et cetera, provided by the sub-grantee support the request for reimbursement.

**Finding**

In 17 reviews, we were unable to verify that invoices, billings, or photographs of work supported the reimbursement request.

- We noted that one sub-grantee submitted its second advance requests totaling \$4,234,787 for five different projects without providing complete procurement documentation for its project management contract. Subsequent to our review, GOHSEP personnel obtained the information and resubmitted the advance requests for our review. We did not note any deficiencies in the subsequent reviews.

- We noted that three reimbursement requests totaling \$132,706 submitted by one sub-grantee did not include clear and detailed information to determine that \$61,877 of expenses were of a type generally recognized as ordinary and necessary for the grant. Subsequent to our reviews, GOHSEP personnel obtained detailed documentation and resubmitted the reimbursement requests for our review. We did not note any deficiencies in the subsequent reviews.
- One reimbursement request totaling \$3,016 was for the sub-grantee's labor expenses; however, the supporting documentation did not identify the employee or when the work was performed. Subsequent to our review, GOHSEP personnel obtained detailed information and resubmitted the reimbursement request for our review. We did not note any deficiencies in the subsequent review.
- One reimbursement request totaling \$69,100 included a \$3,300 engineering expense; however, no supporting documentation was provided to substantiate the expense. GOHSEP personnel obtained supporting information for the engineering expense and resubmitted the reimbursement request for our review. We did not note any deficiencies in the subsequent review.
- One reimbursement request totaling \$267,356 did not have documentation indicating the final settlement costs for acquired property. In addition, the project management invoices totaling \$9,526 included properties that had not yet been approved by FEMA. Subsequent to our review, GOHSEP personnel obtained additional documentation of the final settlement costs, deducted the project management invoices from the reimbursement request, and resubmitted the reimbursement request for our review. We did not note any deficiencies in the subsequent review.
- The other six reimbursement requests totaling \$1,330,470 did not include complete procurement documentation or cost analysis to support the reasonableness of expenses totaling \$1,176,713. The remaining \$153,757 is supported. Subsequent to our review, GOHSEP personnel obtained additional documentation that supports the reasonableness of the expenses and resubmitted the reimbursement requests. We did not note any deficiencies in the subsequent reviews.

**Procedure**

Verify that previous payments are listed in block 11-h on the SF 270.

**Finding**

No exceptions noted.

**Procedure**

Verify the original signature of an authorized person on the SF 270.

**Finding**

No exceptions noted.

**Procedure**

Verify that the quarterly reporting is up-to-date.

**Finding**

In one review, we noted that the quarterly report was not up-to-date. Subsequent to our review, GOHSEP personnel obtained the current quarterly report and resubmitted the reimbursement request for our review. We did not note any deficiencies in the subsequent review.

**Procedure**

Verify that the documented expenses and project progression correspond with the performance period.

**Finding**

No exceptions noted.

**Procedure**

Confirm that the work reflected by the documentation is within the scope approved for the grant.

**Finding**

No exceptions noted.

**Procedure**

Verify that at least one site inspection has been conducted for each project that is more than 50% complete.

**Finding**

No exceptions noted.

**Procedure**

Verify that an end of performance period letter has been prepared and processed for projects ending in less than 90 days.

**Finding**

No exceptions noted.

**Procedure**

Verify that a final site inspection has been conducted for each project that is 100% complete.

**Finding**

No exceptions noted.

**Procedure**

Verify that the fiscal analyst entered the current payment on the federal and state declining balance Excel spreadsheet.

**Finding**

No exceptions noted.

**Procedure**

Verify that the fiscal analyst entered the current payment on the mitigation payments Excel spreadsheet.

**Finding**

In one review, we noted that the current payment had not been entered into the mitigation payments spreadsheet. Subsequent to our review, GOHSEP personnel entered the payment into the spreadsheet and resubmitted the reimbursement request for our review. We did not note any deficiencies in the subsequent review.

**Procedure**

Verify that the fiscal analyst prepared a reimbursement statement for the sub-grantee.

**Finding**

In one review, we noted that the reimbursement statement had incorrect amounts. Subsequent to our review, GOHSEP personnel corrected the statement and resubmitted the reimbursement request for our review. We did not note any deficiencies in the subsequent review.

**Procedure**

Verify that the fiscal analyst prepared a transmittal for payment for the sub-grantee.

**Finding**

No exceptions noted.

**Procedure**

Verify that the fiscal analyst saved the reimbursement and transmittal documents in the sub-grantee's electronic folder.

**Finding**

In one review, we noted that the reimbursement statement and transmittal documents were not saved in the electronic folder. Subsequent to our review, GOHSEP personnel saved the documents in the electronic folder and resubmitted the reimbursement request for our review. We did not note any deficiencies in the subsequent review.

**Procedure**

Verify that the fiscal analyst placed a hard copy of the reimbursement and transmittal documents in the sub-grantee's file.

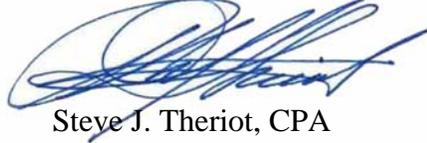
**Finding**

No exceptions noted.

We were not engaged to and did not conduct an examination, the objective of which would be to express an opinion on GOHSEP's compliance with federal and state regulations, GOHSEP's internal control over compliance with federal and state regulations, or GOHSEP's financial statements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters may have come to our attention that would have been reported to you.

This report is intended primarily for the information and use of GOHSEP. However, by provisions of state law, this report is a public document and has been distributed to the appropriate public officials.

Respectfully submitted,



Steve J. Theriot, CPA  
Legislative Auditor

JLS:JM:sr

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## Management's Response





**BOBBY JINDAL**  
GOVERNOR

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

**MARK A. COOPER**  
DIRECTOR

April 15, 2009

Steve J. Theriot, CPA  
Louisiana Legislative Auditor  
State of Louisiana  
1600 North Third Street  
Baton Rouge, Louisiana 70804-9397

RE: Draft Hazard Mitigation Grant Program Quarterly Report, Fourth Quarter 2008

Dear Mr. Theriot:

We have received the draft report compiled by the Louisiana Legislative Auditor's Recovery Assistance Division reviewing the State's Hazard Mitigation Grant (HM) program for the fourth quarter of 2008 (October 1, 2008 through December 31, 2008). We concur in the report and will use it for training and to identify negative trends in the process.

We greatly appreciate the continued support of the Louisiana Legislative Auditors office and look forward to a continued constructive working relationship as we work through this highly complex grant program.

Sincerely,

A handwritten signature in black ink, appearing to read "MSR", written over a white background.

Mark S. Riley  
Acting Deputy Director

MSR:krs

cc: Mark A. Cooper, Director