

An Agreed-Upon Procedures Report on the
**GOVERNOR'S OFFICE OF HOMELAND SECURITY
AND EMERGENCY PREPAREDNESS
HAZARD MITIGATION PROGRAM
JULY 2013 - DECEMBER 2013**
Issued March 26, 2014



INSIDE

- 1 INDEPENDENT ACCOUNTANT'S REPORT
- 4 BACKGROUND
- 5 MANAGEMENT'S RESPONSE

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

February 28, 2014

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

MR. KEVIN DAVIS, DIRECTOR
GOVERNOR'S OFFICE OF HOMELAND
SECURITY AND EMERGENCY PREPAREDNESS
Baton Rouge, Louisiana

We performed the procedures described on the following pages for the period July 1, 2013 through December 31, 2013, which were requested and agreed to by management of the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP), solely to assist you in evaluating the completeness and accuracy of documentation submitted by sub-grantees under the Hazard Mitigation (HM) program. GOHSEP management is responsible for the completeness and accuracy of documentation submitted by sub-grantees of the HM program.

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 GOHSEP management. Consequently, we make no representation regarding the sufficiency of the procedures either for the purpose for which this report has been requested or for any other purpose.

OVERALL RESULTS

For the period July 1, 2013 through December 31, 2013, we analyzed 1,034 reimbursement requests along with supporting documentation to confirm that the reimbursement requests complied with federal and state guidelines and were sufficiently documented. We also analyzed 216 requests that were analyzed for the first time in a prior period and were resubmitted by GOHSEP for subsequent analyses.¹

¹ Re-reviews of reimbursement requests that were returned to GOHSEP disaster recovery specialists because of some deficiency in documentation identified by our review.

PROCEDURES AND FINDINGS

Procedure: We confirmed that the sub-grantee submitted a SF 270 (Request for Advance or Reimbursement) that had been signed by an authorized person.

Finding: We found no exceptions as a result of this procedure.

Procedure: We reviewed the mathematical calculations performed by GOHSEP personnel to confirm the calculations were in accordance with funding parameters.

Finding: We found no exceptions as a result of this procedure.

Procedure: We confirmed that the invoices, billings, photographs of work, and related items provided by the sub-grantee supported the request for reimbursement.

Finding: As a result of this procedure, we identified 376 reimbursement requests that lacked sufficient documentation and noted exceptions totaling \$24,600,565.

Our subsequent analyses of 180 of the 376 requests noted that the sub-grantees provided sufficient documentation to support \$6,910,542 of the \$24,600,565 (28%) of exceptions. Our subsequent analyses also noted additional exceptions of \$209,360.

In addition, our subsequent analyses of 128 requests initially analyzed in a prior period found that the sub-grantees provided sufficient documentation to support \$5,942,906 of the previously noted exceptions. Our subsequent analyses also noted additional exceptions of \$755,291.

Procedure: We confirmed that the work reflected by the documentation was within the scope approved for the grant.

Finding: As a result of this procedure, our subsequent analysis of one request initially reviewed in a prior period found that the sub-grantee provided sufficient documentation to support \$192,641 of the previously noted exceptions.

Procedure: We confirmed that the quarterly reporting was up-to-date.

Finding: We found no exceptions as a result of this procedure.

Procedure: We confirmed that the documented expenses and project progression correspond with the performance period.

Finding: We found no exceptions as a result of this procedure.

Procedure: We confirmed that an end of performance period letter had been prepared and processed for projects ending in less than 90 days.

Finding: We found no exceptions as a result of this procedure.

Procedure: We confirmed that at least one site inspection had been conducted for each project that was more than 50% complete or that a final site inspection has been conducted for each project that is 100% complete.

Finding: We found no exceptions as a result of this procedure.

We were not engaged to and did not conduct an examination, the objective of which would be to express an opinion on documentation submitted by sub-grantees to support reimbursement of expenses eligible for funding through the HM programs or on GOHSEP's compliance with 44 CFR parts 13 and 206. 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 solely for the information and use of GOHSEP management and the Louisiana Legislature and is not intended to be and should not be used by anyone other than those parties. However, by provision of state law, this report is a public document and has been distributed to the appropriate public officials.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

DGP/mk

GOHSEP-HMGP 2014

BACKGROUND

GOHSEP's documentation review process begins when sub-grantees submit reimbursement requests and supporting documentation. The GOHSEP disaster recovery specialists review the requests and gather any additional documentation deemed necessary to fully support the requests. The disaster recovery specialists document the results of the reviews on requests for advance or reimbursement and then submit the forms and all supporting documentation to their team leads. The team leads conduct a review and then submit the requests for advance or reimbursement and all supporting documentation to the Louisiana Legislative Auditor's (LLA) document review team to be reviewed under our agreed-upon procedures engagement.

The LLA document review team analyzes the requests and supporting documentation to confirm the completeness and accuracy of documentation submitted by sub-grantees under the Hazard Mitigation program. Unsupported costs are considered exceptions and are reported.

The LLA document review team describes exceptions in findings of review that are presented to GOHSEP management. When exceptions are noted, the requests and supporting documentation are returned to the GOHSEP disaster recovery specialists. GOHSEP management decides whether to correct the exceptions or fund the requests. If GOHSEP management decides to correct the exceptions, the disaster recovery specialists gather additional documentation to correct them. Then, LLA's document review team analyzes the additional documentation following the same agreed-upon procedures as the initial reviews. This process allows GOHSEP the opportunity to correct exceptions prior to final payment, thus eliminating questioned costs.

APPENDIX A

Management's Response



BOBBY JINDAL
GOVERNOR

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

KEVIN DAVIS
DIRECTOR

March 24, 2014

Daryl Purpera, CPA, CFE
Legislative Auditor
State of Louisiana
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

RE: Draft Biannual Recovery Assistance Report
Hazard Mitigation Program – July 1, 2013 – December 31, 2013

Dear Mr. Purpera:

We have reviewed the draft report compiled by the Legislative Auditor's Recovery Assistance Division which covers activities of the Hazard Mitigation Section, Governor's Office of Homeland Security and Emergency Preparedness for the second half of 2013 (July 1, 2013 to December 31, 2013). The management group will utilize these reports to identify training needs and to ensure proper guidance is shared, both internally and externally.

Your reports continue to assist us in the improvement of our processes and provide important feedback which will assist us in achieving our 100% accuracy goal and closing projects timely and efficiently.

Sincerely,

A handwritten signature in blue ink, appearing to read "Casey Tingle".

Casey Tingle
Assistant Deputy Director – Hazard Mitigation

CT:ttw