

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



AGREED-UPON PROCEDURES REPORT  
ISSUED JANUARY 21, 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

January 21, 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 third quarter of 2008 (July 1 through September 30), 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 33 reimbursement requests totaling \$5,548,027 and supporting documentation as prepared by the GOHSEP disaster recovery specialist and the finance officer. The procedures we performed and our findings are as follows:

1. Procedure

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

Finding

No exceptions noted.

2. Procedure

Review mathematical calculations performed by GOHSEP personnel

Finding

No exceptions noted.

3. Procedure

Verify that the calculations are in accordance with funding parameters

Finding

In one review, we were unable to verify that \$15,000 of possible duplication of benefits had been addressed in the calculations of the disaster recovery specialist. Subsequent to our review, GOHSEP management reevaluated the duplication of benefits issue, determined and documented that there was no duplication of benefits, and then resubmitted the reimbursement request for our review. We did not note any deficiencies in our subsequent review.

4. Procedure

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

Finding

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

- We noted that the documentation submitted by one sub-grantee did not support \$11,902 of its \$59,512 reimbursement request. Subsequent to our review, GOHSEP personnel obtained additional documentation to support the request and resubmitted the reimbursement request for our review. We did not note any deficiencies in our subsequent review.
- We noted that one sub-grantee submitted a reimbursement request for \$548,393. However, the total program outlays to date of \$12,270,254, which include prior reimbursements and advances, have not been fully documented. The sub-grantee submitted \$11,194,269 of supporting documentation leaving an unsupported balance of \$1,075,984. GOHSEP management decided not to reimburse the sub-grantee this \$548,393 request and is currently working to resolve the issue.

- We noted that two reimbursement requests totaling \$238,322 submitted by one sub-grantee did not include the grant agreements or a description of the eligible costs. Subsequent to our review, GOHSEP personnel obtained the agreements and the description of the eligible costs and then resubmitted the reimbursement request for our review. We did not note any deficiencies in our subsequent review.

5. Procedure

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

Finding

No exceptions noted.

6. Procedure

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

Finding

No exceptions noted.

7. 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, the GOHSEP personnel obtained the current quarterly report and resubmitted the reimbursement request for our review. We did not note any deficiencies in our subsequent review.

8. Procedure

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

Finding

No exceptions noted.

9. Procedure

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

Finding

In two of our reviews, the project folders did not include the project agreement or a description of the type of work/expenses eligible for reimbursement. Without these documents, we were unable to confirm that the work undertaken was within the scope of work approved for the grant. Subsequent to our review, GOHSEP personnel obtained the additional documentation and resubmitted the reimbursement requests for our review. We did not note any deficiencies in our subsequent review.

10. Procedure

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

Finding

No exceptions noted.

11. 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.

12. Procedure

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

Finding

No exceptions noted.

13. Procedure

Verify that the finance officer entered the current payment on the federal and state declining balance Excel spreadsheet

Finding

No exceptions noted.

14. Procedure

Verify that the finance officer entered the current payment on the mitigation payments Excel spreadsheet

Finding

No exceptions noted.

15. Procedure

Verify that the finance officer prepared a reimbursement statement for the sub-grantee

Finding

In one review, we noted that the reimbursement statement had a \$5,000 error. The total amount to be reimbursed should have been \$15,000 instead of \$20,000. Subsequent to our review, the finance officer corrected the statement and resubmitted the reimbursement request for our review. We did not note any deficiencies in our subsequent review.

16. Procedure

Verify that the finance officer prepared a transmittal for payment for the sub-grantee

Finding

No exceptions noted.

17. Procedure

Verify that the finance officer saved the reimbursement and transmittal documents in the sub-grantee's electronic folder

Finding

No exceptions noted.

18. Procedure

Verify that the finance officer 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:dl

HMGP708-908

## Management's Response





**BOBBY JINDAL**  
GOVERNOR

**State of Louisiana**  
**Governor's Office of Homeland Security**  
**and**  
**Emergency Preparedness**  
January 11, 2009

**MARK A. COOPER**  
DIRECTOR

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, Third 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 third quarter of 2008 (July 1, 2008 through September 30, 2008).

The report reviewed eighteen procedures for the HM program and identified findings in five of those procedures. Those findings primarily identified a pattern of failing to follow established documentary procedures. In at least two of the reimbursement request reviews, that failure would have resulted in an inappropriate reimbursement. As a result, we are reviewing our document review procedures to identify changes that will further enhance the reimbursement request review 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 "Mark S. Riley".

Mark S. Riley  
Assistant Deputy Director, Disaster Recovery

Cc: Mark A. Cooper, Director