

LOUISIANA COMMISSION ON LAW ENFORCEMENT
AND ADMINISTRATION OF CRIMINAL JUSTICE
STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES
PROCEDURAL REPORT
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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

August 19, 2014

The Honorable John A. Alario, Jr.,
President of the Senate
The Honorable Charles E. "Chuck" Kleckley,
Speaker of the House of Representatives
Mr. Joseph Watson, Executive Director
Louisiana Commission on Law Enforcement
and Administration of Criminal Justice

Dear Senator Alario, Representative Kleckley, and Mr. Watson:

This report provides the result of our procedures at the Louisiana Commission on Law Enforcement and Administration of Criminal Justice (LCLE) for the period from July 1, 2012, through June 30, 2014. Our objective was to evaluate certain controls that LCLE uses to ensure accurate financial reporting and transparency, compliance with applicable laws and regulations, and to provide overall accountability for public funds. I hope this report will benefit you in your legislative decision-making process.

We would like to express our appreciation to the management and staff of LCLE for their assistance during our work.

Sincerely,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

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LCLE 2014

Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



Louisiana Commission on Law Enforcement And Administration of Criminal Justice

September 2014

Audit Control # 80140070

Introduction

The primary purpose of our procedures at the Louisiana Commission on Law Enforcement and Administration of Criminal Justice (LCLE) was to evaluate certain internal controls LCLE uses to ensure accurate financial reporting and transparency, compliance with applicable laws and regulations, and to provide overall accountability for public funds. The mission of LCLE is to improve the operations of the criminal justice and juvenile justice system and promote public safety by providing progressive leadership and coordination within the criminal justice community.

Results of Our Procedures

We evaluated LCLE'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 LCLE. Based on the documentation of LCLE's controls and our understanding of related laws and regulations, we performed procedures on selected controls and transactions relating to proper handling of audit fees in federal program billings; monitoring of entities receiving federal funds through LCLE as a subrecipient; time and attendance records; the use of travel cards and Fueltrac; and compliance with laws related to the Division of Administration's Boards and Commission database.

Audit Fees

LCLE administers several federal programs that prohibit charging certain audit fees to the program. LCLE did not charge audit fees improperly to federal programs.

Monitoring Subrecipients

For fiscal year 2014, approximately 63% of LCLE's revenues are from federal programs. The majority of these federal funds are paid to subrecipients. Therefore, the federal subrecipient monitoring requirements are the most significant requirements governing the use of these funds received by LCLE. Audit procedures were performed to review controls and compliance related to subrecipient monitoring. LCLE has implemented a new grants management system for

approximately half the districts LCLE serves. The remaining districts will be brought into the new system in fiscal year 2015. Audit procedures were focused on controls related to the new system and LCLE's monitoring of subrecipients. Based on our procedures, the LCLE adequately implemented its new system and properly monitored its subrecipients.

Time and Attendance Records

A large part of this entity's expenditures is payroll, therefore audit procedures were performed in this area. The LCLE is expected to have controls to ensure accuracy and compliance with laws and regulations. An understanding of controls over payroll was obtained, and selected transactions were tested for accuracy and compliance. The LCLE's payroll controls were adequate.

Travel Cards and Fueltrac Cards

Inherent risks exist related to travel and fuel (Fueltrac) cards. We obtained an understanding of the LCLE's controls over access to and use of the cards and we reviewed selected transactions. The LCLE's controls over travel and Fueltrac cards were adequate.

Division of Administration's Boards and Commissions Database

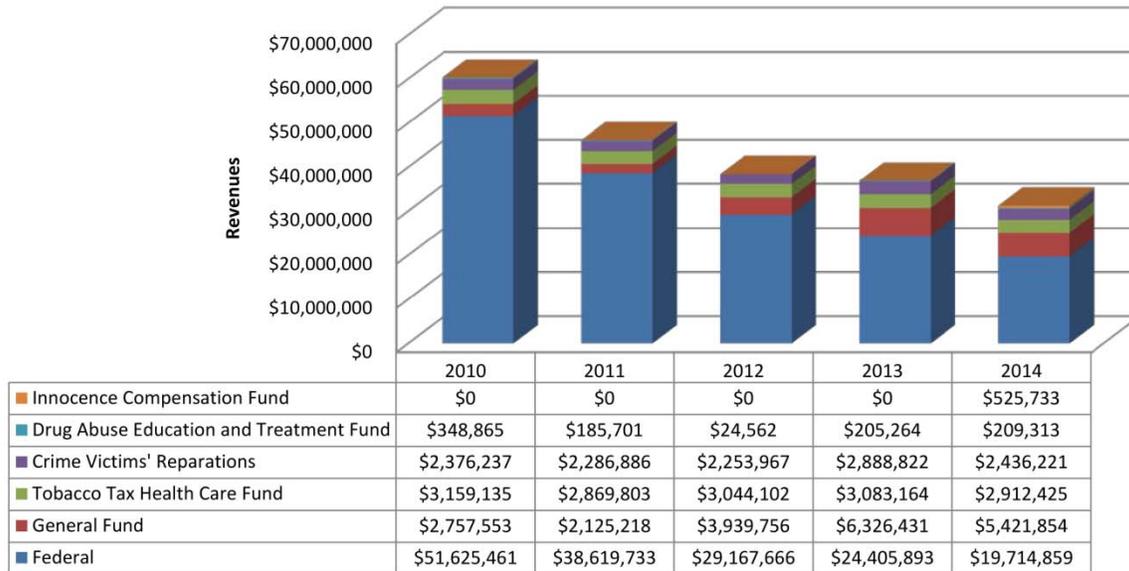
All Louisiana boards and commissions covered by Title 49, Chapter 20 of the Louisiana Revised Statutes (LRS) are required by LRS 49:1302-1304 to report certain information to the Louisiana Division of Administration's Boards and Commissions database. The LCLE is expected to provide all required information in the database and perform timely updates. Audit procedures were performed to review information posted to the website by the LCLE for reasonableness to determine compliance with the revised statute. The LCLE substantially complied with the requirements to update the Division's database.

Comparison of Activity Between Years

We compared the most current and prior-year financial activity using LCLE's annual fiscal reports and/or system-generated reports to identify trends and obtained explanations from LCLE management for any significant variances that could potentially indicate areas of risk. LCLE management provided reasonable explanations for all significant variances.

We also presented LCLE’s sources of revenues over the past five fiscal years (Exhibit 1) for informational purposes. We noted the most significant change was a 62% decrease in federal funds since fiscal year 2010. This is mainly due to the decrease in American Recovery and Reinvestment Act of 2009 funds, as those one-time funds have been expended.

Exhibit 1
Trends of Revenues Over the Past Five Years



Source: FY 2010 to FY 2014 Schedule 1, Annual Fiscal Reports

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

APPENDIX A: SCOPE AND METHODOLOGY

We conducted certain procedures at the Louisiana Commission on Law Enforcement and Administration of Criminal Justice (LCLE) for the period from July 1, 2012 through June 30, 2014. Our objective was to evaluate certain internal controls LCLE uses to ensure accurate financial reporting and transparency, compliance with applicable laws and regulations, and to provide overall accountability for public funds. The scope of our procedures was significantly less than an audit conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. The Annual Fiscal Reports of LCLE were not audited or reviewed by us, and, accordingly, we do not express an opinion on those reports. LCLE's accounts are an integral part of the State of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated LCLE'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 LCLE.
- Based on the documentation of LCLE's controls and our understanding of related laws and regulations, we performed procedures on selected controls and transactions relating to the proper handling of audit fees in federal program billings; monitoring of entities receiving federal funds through the LCLE as a subrecipient; time and attendance records; the use of travel cards and Fueltrac; and compliance with laws related to the Division of Administration's Boards and Commissions database.
- We compared the most current and prior-year financial activity using LCLE's annual fiscal reports and/or system-generated reports to identify trends and obtained explanations from LCLE management for any significant variances that could potentially indicate areas of risk.