



Report Highlights

Department of Economic Development

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Why We Conducted This Audit

We conducted certain procedures at the Louisiana Department of Economic Development (LED) to evaluate its accountability over public funds for the period July 1, 2012 through June 30, 2014.

What We Found

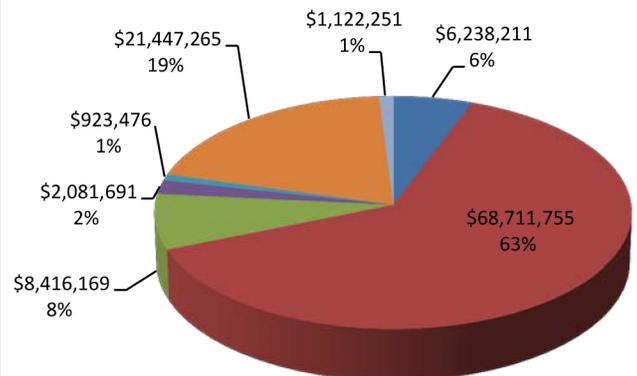
We evaluated LED’s internal audit function; controls and compliance relating to LED’s LaCarte Purchasing Card and Controlled Business Accounts activity; the monitoring and expenditure controls and compliance relating to contracts within the Louisiana Mega-Project Development Fund Program, Rapid Response Fund Program, Louisiana FastStart Program, State Economic Competitiveness Program, Economic Development Grants Match Program, and State Small Business Credit Initiative Program; and reporting to the Joint Legislative Committee on the Budget (JLCB). Our procedures determined that LED had adequate controls over the areas tested and complied with appropriate laws, except for the following:

- **LED did not submit a semiannual report to the JLCB for the Louisiana Mega-Project Development Fund and the Rapid Response Fund by the required date.** The report summarizes the performance status of all active Mega-Project Development Fund and Rapid Response Fund incentive contracts.
- **LED does not have an effective internal audit function.** There was no evidence that the planned procedures were based on a formal risk assessment or that any high risk areas were addressed by the internal auditor. While the 2013 and 2014 audit plans outlined the same 12 areas in which audits/reviews were planned, only one area resulted in a written report.

LED expenses totaled approximately \$109 million as of June 30, 2014. Program expenses remained relatively similar when compared to prior year except for State Commitments, which increased from approximately \$19.6 million in fiscal year 2013 to approximately \$68.7 million in fiscal year 2014. About 70% of this increase was associated with the IBM Corporation and the Benteler Steel & Tube projects from the Mega-Project Development Fund.

LED Expenses as of June 30, 2014

\$108,940,818



- Administrative
- State Commitments
- FastStart Initiative
- Louisiana Economic Competitiveness Grant
- State Small Business Credit Initiative Program
- Business Initiatives and Development Services
- Entertainment Industry Initiatives

Source: ISIS data

View the full report, including management’s response, at www.la.gov.