



LOUISIANA
LEGISLATIVE
AUDITOR



2025

ANNUAL REPORT & ACT 461 REPORT

OUR MISSION

To foster accountability and transparency in Louisiana government by providing the Legislature and others with audit services, fiscal advice, and other useful information.

This annual report was prepared to comply with Louisiana Revised Statute 24:513 D(1).

The purpose is to review the work of the Louisiana Legislative Auditor's (LLA) office over calendar year 2024 and to highlight significant issues involving state and local governments. The goal of summarizing these issues is to encourage corrective actions, such as improved procedures or legislative actions that will resolve or reduce the impact of these concerns and increase accountability and transparency in Louisiana government. This report also helps satisfy the annual reporting requirement of Act 461 of the 2014 Regular Legislative Session.

The report summaries that follow are organized by audit section and reflect only a portion of the nearly 4,200 reports released in calendar year 2024. They are representative of those issues, findings, and/or problems deemed most significant by the LLA. However, these summaries do not include every finding or weakness identified, but focus on the major concerns or issues facing Louisiana.

The reports contain specific recommendations and/or matters for legislative consideration and can be found on the LLA website at lla.la.gov. These reports include agency responses. In some instances, changes already may have been implemented or be in progress.

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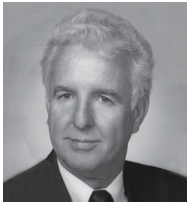
A HISTORY OF AUDITORS



J.B. Lancaster
1964-1972



Joseph H. Burris
1972-1989



Daniel G. Kyle
1989-2003



Steve J. Theriot
2004-2010



Daryl G. Purpera
2010-2021



Michael J. Waguespack
2021-Present



YOUR TRUSTED ADVISORS

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

Beth Q. Davis, CPA
First Assistant Legislative Auditor and Director of
Financial Audit Services

Roger W. Harris, JD, CCEP, CFI
Executive Counsel and Assistant Legislative
Auditor for Investigations

Jenifer Schaye, JD, CFE
General Counsel

Judith Dettwiller, CPA, CIA
Assistant Legislative Auditor and Director of Local
Government Services

Victoria Hayes, CPA
Assistant Legislative Auditor and Director of
Recovery Assistance Services

Kenneth J. "Kenny" Herbold, ASA, EA, MAAA, CFA
Director of Actuarial Services

Karen C. Leblanc, CIA, CGAP
Assistant Legislative Auditor and Director of
Performance Audit Services

Kathleen Stewart Richey, JD
State of Louisiana Child Ombudsman

Edward P. Seyler, PhD, CIA, CGAP
Economist and Director of Economic
Advisory Services

FROM THE AUDITOR'S DESK

In 2024, the Legislative Auditor's office continued to build on initiatives started in 2022 and 2023.

The creation of the State Child Ombudsman's division in 2023 generated tremendous reaction and response in 2024. As a result, a second team member was hired to help with the workload, and a third person is scheduled to start at the end of February 2025.

Actuarial Services also grew with the addition of two new team members.

Economic Advisory Services nearly doubled the number of reports it issued compared to 2023, with work that focused on the capital outlay budget, the Orleans Parish Assessor, and economic development models.

Performance Audit's informational reports and informational briefs continued to be an effective way to quickly address areas of concern to legislators, covering such topics as Louisiana's ports, uniform crime reporting, and Louisiana's Safe Haven law.

Our staff members also earned some notable honors last year:

- Former Local Government Services Director Diane Allison was elected to the Executive Board of the Government Finance Officers Association of the United States and Canada.
- General Counsel Jenifer Schaye received the Outstanding Discussion Leader Award from the Society of Louisiana Certified Public Accountants. This is only the second time in the award's history that it has been given to a non-CPA.
- Performance Audit Services Senior Audit Manager Emily Dixon was named to the executive committee of the National Legislative Program Evaluation Society.
- Performance Audit Services also helped host the national meeting of the National Legislative Program Evaluation Society in New Orleans in 2024, and several team members shared their expertise as part of panel discussions.
- In addition, team members Julie Floyd, Chris Magee, and Ashley Brecheen received an NLPES Certificate of Impact Award for their report on *Election Integrity*.



Congratulations to all of you!

A handwritten signature in blue ink, appearing to read "Mike Waguespack". The signature is fluid and cursive, with a large initial "M" and "W".

Michael J. "Mike" Waguespack CPA
Louisiana Legislative Auditor



**Louisiana State Capitol, Baton Rouge
(Photo by Chad Hebert, LLA)**

CRUNCHING THE NUMBERS



In 2024, we released **134** staff reports covering a variety of topics and state agencies, and oversaw the work of approximately **280** independent contract audit firms that conducted **4,035** audits and other types of engagements on local government entities.



In addition, we prepared fiscal notes related to **21** bills affecting the expenditures of political subdivisions and actuarial notes for **32** retirement bills affecting the **13** state and statewide public retirement systems. We also reviewed **2,741** millages and prepared **eight** legal opinions.

Approximately **255** employees work for the LLA. The majority conduct audit work in Economic Advisory Services, Financial Audit Services, Investigative Audit Services, Performance Audit Services, and Recovery Assistance Services.

Other staff members work in Actuarial Services, Advisory Services, Legal Services, and Local Government Services. Staff members in these sections provide guidance and training to state and local officials and quasi-public entities, conduct research, monitor legislative changes, provide legal opinions for staff and public officials as requested by the Legislative Auditor, and help ensure the audit law is enforced.



Staff members in the Accounting, Human Resources and Professional Development, Information Services, Publishing, and other administrative areas provide necessary support for the LLA's work.

Much of our work is required by state or federal law. Other work is the result of complaints, lawmaker requests, and our identification of risk areas in state and local governmental entities. As always, however, all of our work is driven by our mission and by our goal of helping to create a **#BetterLouisiana**.

WELCOME TO LOUISIANA LEGISLATIVE AUDITOR

YOUR TRUSTED ADVISOR

We are an expert team of trusted advisors collectively working to improve communities and build a better Louisiana.

AUDIT REPORTS Search All Reports >

WE'RE HIRING Visit Our Careers Page >

STATE OF LOUISIANA Child Ombudsman >



Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor

Recent Reports

Educational Opportunities

Financial 02/06/2025

Louisiana Tech University - NCAA

Period: 7/1/2023 - 6/30/2024

Full Report

Investigative 02/05/2025

East Baton Rouge Parish Charter School - Education Explosion, Inc. d/b/a Impact Charter School

Period: 1/1/2015 - 4/30/2024

Full Report

Summary

Contracted 02/05/2025

Jefferson Parish School Board

Period: 7/1/2023 - 6/30/2024

Full Report

Financial 01/29/2025

McNeese State University - NCAA

Period: 7/1/2023 - 6/30/2024

Full Report

Financial 01/29/2025

Nicholls State University - NCAA

Period: 7/1/2023 - 6/30/2024

Full Report

Financial 01/29/2025

Northwestern State University - NCAA

Period: 7/1/2023 - 6/30/2024

Full Report

Financial 01/29/2025

University of Louisiana at Monroe - NCAA

Period: 7/1/2023 - 6/30/2024

Full Report

Financial 01/29/2025

University of New Orleans

Period: 7/1/2023 - 6/30/2024

Full Report

Summary

Search All Audit Reports >

LLA on the Web: lla.la.gov

SOCIAL MEDIA

Through its different social media platforms, the LLA works to keep members of the Legislature, public officials, and the public informed about audit report releases, local government training sessions, recruiting efforts, audit resources, staff hires, staff awards and promotions, and other matters.

The LLA's YouTube channel - www.youtube.com/user/LouisianaAuditor - features videos from the Center for Local Government Excellence's 2024 training sessions, a variety of video blogs from Legal Services covering such topics as the *Lawrason Act*, *Salaries in Municipalities*, and *Piggybacking*, and the 2024 Millage Workshops.



Facebook:
[@LouisianaLegislativeAuditor](https://www.facebook.com/LouisianaLegislativeAuditor)

Twitter:
[@LALegisAuditor](https://twitter.com/LALegisAuditor)

LinkedIn:
[Louisiana Legislative Auditor](https://www.linkedin.com/company/LouisianaLegislativeAuditor)

Instagram:
[louisianalegislativauditor](https://www.instagram.com/louisianalegislativauditor)



In 2024, the LLA produced **12** podcasts that focused on highlights from select audit reports. The podcasts can be found at www.lla.la.gov/reports/podcasts, or listeners can subscribe to LLA Reports through iTunes, Google Play, Spotify, and Amazon Alexa.

2024 Episodes

State Supplemental Pay Program
February 5, 2024

Oversight of Medicaid Quality Care
May 28, 2024

Progress Report: State Efforts to Address Orphaned Oil and Gas Wells
October 28, 2024

Justice Reinvestment Initiative – Challenges and Impact
February 19, 2024

Broadband Expansion in Louisiana
June 3, 2024

Louisiana's Budgetary Reserves – Analysis and Management Considerations
November 12, 2024

Coordination of Public Assistance and Workforce Development Programs
March 4, 2024

Abuse and Neglect in Intermediate Care Facilities for Individuals with Developmental Disabilities
July 22, 2024

Abuse and Neglect in Home and Community-Based Services
December 2, 2024

Risk-Based Monitoring of Special Education Services
May 20, 2024

Timeliness of Vendor Payments
August 12, 2024

Seclusion, Restraint, and Abuse/Mistreatment of Children with Disabilities in Public Schools
December 16, 2024



**Sunset on Lake Pontchartrain
(Image by Will Tucker from Pixabay)**

LEGAL SERVICES

Legal Services staff members represent the LLA in court matters, issue opinions, provide assistance to CPAs, local government officials, and public employees, answer public records requests, and give presentations.

In 2024, Legal issued **eight** written opinions to internal LLA staff, answered **1,218** calls from CPAs and public officials, and answered **82** public records requests.

Legal reviewed and, when necessary, updated and amended all FAQs and White Papers located on the LLA's website. These resources total **58** and range in topics from Public Bid Law to Sexual Harassment. Legal also has produced and posted a variety of video blogs ranging from the *Lawrason Act* to *Immediate Family* to *Salaries in Municipalities* to *Piggybacking*. These vlogs total **30**.

In addition, the General Counsel and Senior Attorneys gave **36** public law presentations to **17** organizations and various public entities (e.g., the City of Baton Rouge, the Louisiana Department of Education, and the Governmental Accounting and Auditing Conference). They also participated in the Center for Local Government Excellence's (CLGE) workshops in March and October. These CLGE presentations were given in person and via streaming. Legal's presentation topics included *Review of Current State and Federal Human Resource Laws and Requirements for Mandatory State Training*, *The Rules of Procurement*, *A Practical Guide to Purchasing Under the Public Bid Law*, *Responsibility for Public Funds/Deposits and Investments*, and *2024 Legislative Updates*.

The Tax Review Officer certified **2,741** ad valorem taxes in 2024, and presented **four** Millage Workshops – two in person in Ouachita and Assumption parishes, and two streaming. Approximately **505** people participated in the workshops. The Millage Workshops are available on the LLA's website and YouTube channel.

Additionally, the Yearly Millage Documentation has now been converted to a fully-electronic processing procedure to provide a more streamlined and efficient method for submission of yearly millage documents by tax assessors and political subdivisions across the state.

Legal's training for the Governor's Office of Homeland Security and Emergency Preparedness is available as well online and on-demand. The training consists of five video modules: (1) *Introduction/Contracts and Cooperative Endeavor Agreements*; (2) *Public Bid Law and Professional Services Contracts*; (3) *Louisiana Procurement Code*; (4) *FEMA Contract Procurement*; and (5) *Important Online Resources*.

Jenifer Schaye JD, CFE
General Counsel

LOUISIANA STATE CHILD OMBUDSMAN

The Child Ombudsman works to improve outcomes for Louisiana's children.

The Louisiana Legislature created the ombudsman's office within the Louisiana Legislative Auditor's office to ensure the role was impartial and independent in the monitoring and evaluating of public and private agencies that protect and deliver services to children.

What can the Ombudsman do?

- Reviews complaints concerning the actions of any state agency or entity providing services to children with state resources.
- Acts as a liaison for a child or family, including but not limited to advocating with an agency, provider, or others on behalf of the best interest of the child.
- Makes appropriate referrals and coordinates as needed when it is determined that a child or family may need assistance.
- Makes recommendations regarding systemic issues that are raised by a complaint.

Who can contact the Child Ombudsman?

Anyone who has concerns regarding Louisiana's child services programs in state agencies such as the Department of Children & Family Services (DCFS), Office of Juvenile Justice (OJJ), Department of Education (DOE), and Louisiana Department of Health (LDH) can contact the Ombudsman.

What can I contact the Ombudsman about?

Issues and concerns with the services a child is or is not receiving from the departments and agencies created to meet the needs of children, as well as concerns that a child's safety is not being addressed. We serve by helping you find answers to your questions and solutions to your issue(s) with the state agency. We can help you navigate the complex child-serving systems and connect you with resources.

How do I contact the Ombudsman?

- **Phone:** (833) KIDS4LA (543-7452)
- **Fax:** (225) 388-4008
- **Mail:** P.O. Box 94397, Baton Rouge, LA 70804
- **Online:** <https://lla.la.gov/ombudsman-reporting>



STATE OF
LOUISIANA
CHILD OMBUDSMAN



Rev: 1/2025

Act 325 of the 2023 Regular Legislative Session created the position of State Child Ombudsman as part of the services of the Legislative Auditor, with 17 specific duties outlined in the law. The State Child Ombudsman was appointed October 1, 2023, and began building the capacity of the division to meet the statutory requirements.

The State Child Ombudsman met with the leadership of the state agencies providing services to children, as well as with stakeholders in the child welfare and juvenile justice systems. With this input, a strategic work plan has been developed and is being implemented.

Public awareness materials have been created, a complaint process has been completed, and a case and data management system for accurate data collection and effective case management has been designed. A Deputy Child Ombudsman was hired in July 2024, and an Intake Coordinator will join the team in February 2025.

Since its inception, the Child Ombudsman division has received and processed more than **300** complaints from individuals, including parents, grandparents and family members, foster children, foster and adoptive parents, attorneys, CASA volunteers, and agency staff.

Additionally, more than **30** complaints have been received from service providers, including mental and behavioral health professionals, hospital administrators, residential care staff, and school personnel.

The Child Ombudsman division also conducted a survey of service providers, with **283** responses, to identify the challenges in providing services to children and families involved with the Louisiana Department of Children and Family Services.

State Child Ombudsman staff serve on several commissions, task forces, and committees designed to improve services for children and families, including:

- The Children's Cabinet Advisory Board and its work groups
- The Task Force on Child Sexual Abuse Investigation
- The Children's Code Committee of the Louisiana Law Institute
- The Louisiana CASA Board of Directors
- The Children's Law Committee of the Louisiana Bar Association

In addition, the State Child Ombudsman has made several public presentations regarding the services of the division in order to raise public awareness.

Kathleen Stewart Richey JD

State of Louisiana Child Ombudsman



THE WORK WE DO

The LLA has several sections that focus on different aspects of auditing related to state and local governmental entities.

Actuarial Services prepares actuarial cost notes for all proposed legislation that would affect Louisiana’s public retirement systems, reviews the actuarial evaluations and audited financials of the 13 state and statewide public retirement systems, certifies cost-of-living allowances for the entities, and prepares the Annual Report on Louisiana Public Retirement Systems for the Legislature and the Governor.

Advisory Services serves as fiscal advisers and operational consultants to local government entities and officials.

Economic Advisory Services delves deeply into the financial implications of issues of interest to the state.

Financial Audit Services focuses on whether state agencies and universities have adequate controls in place to ensure accountability over public funds and compliance with state and federal laws, regulations, and grant agreements.

Investigative Audit Services gathers evidence regarding fraudulent or abusive activity affecting governmental entities to detect and deter the misappropriation of public assets and to reduce future fraud risks.

Local Government Services provides important services to local governments across the state by enforcing the audit law, processing statutorily-required reports, monitoring legislative changes, providing guidance to local governments and quasi-public entities (local auditees), and overseeing the work of independent auditors who audit those entities.

Performance Audit Services evaluates the economy, efficiency, and effectiveness of state agency programs, functions, and activities through audit reports, informational reports, and informational briefs.

Recovery Assistance Services ensures federal disaster recovery funds are spent in accordance with federal and state laws, rules, and regulations.

Kenneth J. “Kenny” Herbold ASA, EA, MAAA, CFA
Director of Actuarial Services



**“Gold Star Families Memorial Monument,” Veterans Memorial Park, Baton Rouge
(Photo by Chad Hebert, LLA)**

STATEWIDE REPORTING

Annual Comprehensive Financial Report

December 31, 2024

The Annual Comprehensive Financial Report (ACFR) is the official financial report for the State of Louisiana and presents the state's financial position as of June 30, 2024, and the operating activities of the state's primary government and its component units for the fiscal year. The financial information included in the ACFR is intended to be used by the general public, investment companies, bond holders, and bond rating agencies to evaluate the state's financial integrity and to set bond rates.

LLA's audit of the ACFR was performed in accordance with *Government Auditing Standards*, and the audit report was issued on December 31, 2024. For the *seventh consecutive report*, auditors found the state's records and statements fairly presented Louisiana's financial position.

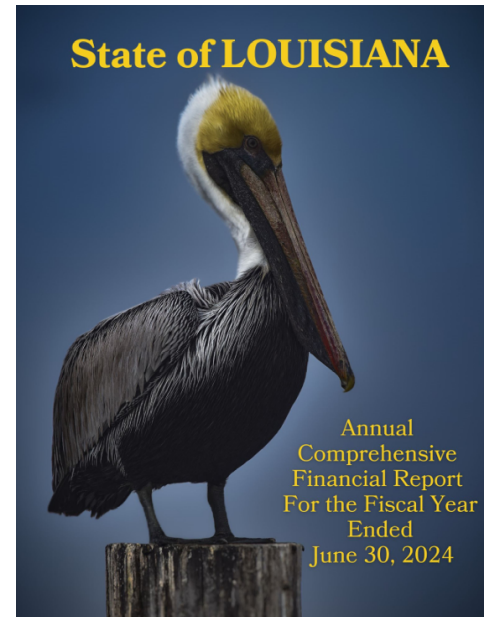
The auditor's report also noted that, as of September 2024, the Louisiana Workforce Commission had identified approximately 110,409 paid claims totaling \$866 million filed from March 15, 2020, through June 30, 2024, with various unresolved issues indicating potential overpayments to claimants.

Single Audit Report for 2023

April 1, 2024

The Single Audit Report recaps many findings related to financial reporting, including the state's expenditures of federal awards, and federal programs, most of which have been reported previously by the Legislative Auditor in individual agency reports. Federal law requires the state to compile the Single Audit every year. Officials use the information to monitor whether the state has adequate controls over financial reporting and whether it has materially complied with the requirements of federal assistance programs deemed major for the period under audit.

The 2023 Single Audit identified 31 findings, including 18 repeated from the prior audit, involving 14 state entities. This was a decrease of four findings compared to the Single Audit report issued in the prior year.



Beth Q. Davis CPA

**First Assistant Legislative Auditor
and Director of Financial Audit Services**

Certain findings resulted in modified opinions on four of the state's 21 major federal programs because they did not comply with certain requirements.

The programs given a modified (qualified) opinion were:

Research and Development Cluster (R&D) - For the *third consecutive year*, the University of Louisiana at Lafayette did not have adequate controls in place to ensure personnel expenses charged to federal R&D awards accurately reflected work performed.

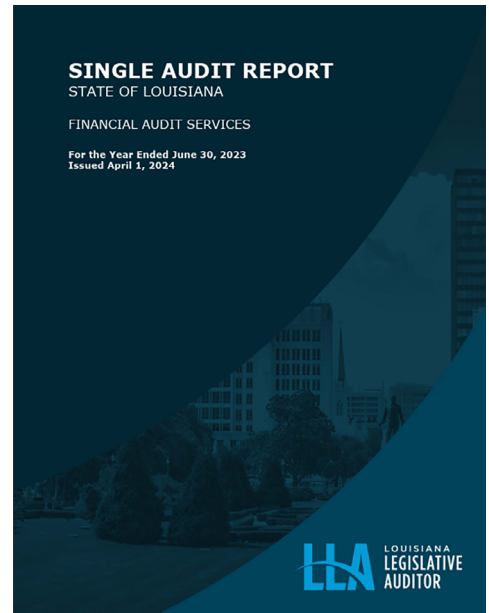
For the *fifth consecutive year*, Louisiana State University Health Sciences Center - Shreveport (LSUHSC-S) did not have adequate controls in place to ensure compliance with Special Tests and Provisions requirements.

WIOA Cluster - For the *fifth consecutive year*, the Louisiana Workforce Commission (LWC) did not adequately monitor subrecipients under the Workforce Innovation and Opportunity Act (WIOA) Cluster programs. In addition, LWC did not adequately review subrecipient Single Audit reports and issue timely management decisions on findings affecting the WIOA Cluster programs. LWC's WIOA program expenditures totaled \$56.5 million in fiscal year 2023, with approximately \$47.1 million provided to subrecipients.

Children's Health Insurance Program and Medicaid Cluster - For the *sixth consecutive year*, the Louisiana Department of Health (LDH) did not enroll and screen all Healthy Louisiana managed care providers and dental managed care providers as required by federal regulations. A review of the 28,733 providers paid during fiscal year 2023 found that 8,183 (28%) of managed care and dental managed care providers were not enrolled and screened in accordance with federal regulations. As a result, LDH cannot ensure the accuracy of provider information obtained from the Louisiana Medicaid managed care plans and cannot ensure compliance with enrollment requirements defined by law and the Medicaid and Children's Health Insurance Program (CHIP) state plan.

As a result of the findings included in the 2023 Single Audit, \$42,328,425 in costs were questioned by auditors, for which the state could be liable. The resolution of these questioned costs will be determined by the respective federal grantors.

For the fiscal year ending June 30, 2023, the state expended approximately \$28 billion in federal funds, including loan programs, an increase from the approximately \$27 billion Louisiana expended in fiscal year 2022.



ADVISORY SERVICES

Over the past year, Advisory Services staff provided fiscal and programmatic guidance (such as fiscal monitoring with fiscal best practices and internal control recommendations) that directly touched approximately **152** local government entities. In addition, Advisory Services reached thousands of local government officials and staff by participating in training conferences sponsored by organizations such as the Government Finance Officers Association of Louisiana, the Louisiana Municipal Association, and the LLA's Center for Local Government Excellence. Further, staff provided services when called upon by agencies such as the Louisiana Department of Health, the Louisiana Rural Water Association, and the Louisiana Legislature.

Advisory Services also is charged with monitoring the budgets of the state's public defender district offices and preparing a report for the Legislature.

The following is a summary of the services the advisers provide:

- Advice to assist governments in fiscal distress
- Recommendations to improve overall internal controls
- Recommendations to help governments and officials comply with applicable state laws
- Consulting and monitoring related to the fiscal status and health of government entities
- Follow-up on certain complaints received from officials and residents
- Advice to newly elected local government officials regarding overall best practices and effective financial management
- Advice to assist governments with resolving audit findings
- Training to guide the implementation of sound fiscal and operational practices and instructor support for the Center for Local Government Excellence
- Support for the Louisiana Fiscal Review Committee and Legislative Audit Advisory Council
- Annual assessments of sheriffs participating in the Federal Equitable Sharing Program to ensure compliance with U.S. Department of Justice and Treasury requirements
- Approval of water rate studies conducted by the Louisiana Rural Water Association

The LLA is also responsible for preparing fiscal notes for legislative instruments affecting expenditures of political subdivisions as well as receipts, expenditures, allocations, and dedications of funds of any state board, commission, or other entity not appropriated funds in an appropriations bill. Advisory Services is involved with overseeing this function. During the 2024 Regular Legislative Session, the office's analysts received requests and prepared fiscal notes related to **21** bills. Advisory Services also assisted with the preparation of fiscal analyses for actuarial notes for **32** retirement bills related to local governments.

Judith Dettwiller CPA, CIA

**Assistant Legislative Auditor
and Director of Local Government Services**

Louisiana District Public Defenders - Compliance with Reporting Requirements for the Fiscal Year Ended June 30, 2022

April 3, 2024

As of June 30, 2022, 26 public defender district offices reported spending more money than they brought in for the fiscal year, but all 42 district offices reported positive ending fund balances. The revenues of the public defender offices ranged from a high of \$8.87 million to a low of \$138,511, and their combined revenues totaled \$60.1 million. Over the same time period, their expenditures ranged from a high of \$8.77 million to a low of \$106,487, while their combined expenditures totaled \$62.4 million.

Fiscal Administration

2024 began with one local government under fiscal administration, which was released during 2024 as well. Also, two additional local governments entered fiscal administration in 2024.

Act 358 of the 2020 Regular Legislative Session requires that, once fiscal administration is terminated, local governments submit a proposed three-year plan with the goal of establishing and maintaining financial stability to the State Treasurer, the Attorney General, and the Legislative Auditor for approval. In 2024, LLA staff were actively monitoring four local governments for implementation of and compliance with their respective three-year financial sustainability plans.

2024 Act 144: Fiscal Status Verification of Community Sewerage Systems

Act 144 of the 2024 Regular Legislative Session requires the LLA to provide to the State Bond Commission a fiscal status verification regarding certain community sewerage systems' level of financial sustainability. In 2024, **four** fiscal status verifications were submitted.

Solutions to Achieve Viability and Efficiency (SAVE) Task Force

The SAVE Task Force was created by Senate Concurrent Resolution 43 of the 2023 Regular Legislative Session. Although the task force originally focused on the dissolution of municipalities, its scope was expanded to cover a wider range of challenges and solutions as a result of feedback from local government stakeholders. The task force included members from the Louisiana Senate, Louisiana House of Representatives, Louisiana Municipal Association, Police Jury Association, Louisiana School Board Association, AFL-CIO, State Treasurer's Office, Attorney General's Office, Division of Administration, Legislative Fiscal Office, and the LLA. LLA employees staffed the task force and made presentations to the members. In addition, LLA staff were instrumental in producing a report issued to the Legislature that contained many recommendations to improve the operations of local government across the state.

ECONOMIC ADVISORY SERVICES

Capital Outlay Budget for the Fiscal Year Ending June 30, 2024 - Status as of December 14, 2023

January 17, 2024

[\(Interactive Dashboard available\)](#)

An update of the status of Louisiana's capital outlay budget for fiscal year 2024, as detailed in Act 465 (House Bill 2) of the 2023 Regular Legislative Session found that, overall, capital outlay funding totaled \$11.6 billion for projects across all means of finance. The largest source of funding was general obligation bonds, which accounted for \$7.7 billion, and the bulk of the funding was designated for state government entities, which collectively were appropriated \$8.5 billion. In November 2023, members of the Interim Emergency Board met and approved \$293.7 million in priority changes from priority 1 to priority 5 general obligation bond appropriations that affected 98 projects.

Tax Year 2024 Quadrennial Reappraisal: Supplemental Data - Orleans Parish Assessor

January 26, 2024

Additional data related to a previously issued informational report on the Orleans Parish Assessor's Office that evaluated property tax assessments in Orleans Parish for tax year 2024 were released. Maps and tables with more information about the geographic distribution of the 3,803 potentially sales-chased properties highlighted in the December 2023 report were provided.

Economic Development Agency Models

March 27, 2024

An examination of economic development agency organizational models across 16 southeastern states, including Louisiana, showed that most southeastern states use quasi-public entities as part of their overall economic development efforts, particularly for marketing and business development and to tap businesspeople with private-sector expertise to serve on oversight boards to help guide their economic development efforts. However, these entities need strong governance and accountability, as well as a fully-developed strategic plan, to avoid potential pitfalls. Louisiana Economic Development should update its strategic plan to provide more information on the rationale and direction of economic development policies for each of Louisiana's targeted industries.

Edward P. Seyler PhD, CIA, CGAP

Economist and Director of Economic Advisory Services

Capital Outlay Budget for the Fiscal Year Ending June 30, 2024 - Status as of April 18, 2024

April 17, 2024

[\(Interactive Dashboard available\)](#)

This update of the status of Louisiana’s capital outlay budget for fiscal year 2024, as detailed in Act 465 (House Bill 2) of the 2023 Regular Legislative Session accounts for the Bond Commission’s actions to allocate \$323 million in general obligation bond proceeds at its February meeting, and to authorize an additional \$252 million in non-cash lines of credit to fund capital outlay projects at its March meeting. Overall, capital outlay funding totaled \$11.6 billion for projects across all means of finance. The largest source of funding was general obligation bonds, which accounted for \$7.7 billion, and the bulk of the funding was designated for state government entities, which collectively were appropriated \$8.5 billion. Under state law, general obligation bond appropriations cannot be spent until the Bond Commission approves a line of credit or allocates bond proceeds. Act 465 limited the combined amount the Bond Commission can approve for cash lines of credit or issue in general obligation bonds for projects in fiscal year 2024 to approximately \$1.5 billion.

Capital Outlay Budget for the Fiscal Year Ending June 30, 2025

June 26, 2024

[\(Interactive Dashboard available\)](#)

This analysis of the state capital outlay budget for fiscal year 2025 builds on a previous analysis of the fiscal year 2024 capital outlay budget. Act 5 (House Bill 2) of the 2024 Regular Legislative Session appropriated \$11.64 billion for 922 capital outlay projects in fiscal 2025, which was a \$7 million decrease from fiscal 2024. The 2025 budget mostly reauthorized funding for projects included in the 2024 budget. However, 166 new projects were added for fiscal 2025 and accounted for \$1.1 billion of the total appropriations in the bill. In addition, 283 projects from fiscal 2024 were not included in the bill, but most of these did not need to be in the bill to maintain access to some or all of their funding. Also, based on the state’s current pace of spending on capital outlay, it would take 25 years to complete all projects that received appropriations of general obligation bonds in fiscal year 2025.

Louisiana’s Budgetary Reserves

November 12, 2024

An examination of the state’s Budget Stabilization Fund and Revenue Stabilization Trust Fund aimed at developing suggestions for potential opportunities to better manage the funds found there is no generally agreed upon optimal level of budgetary reserves for states, but the largest amount implied by rating agencies’ criteria for such reserves is \$2.2 billion. With a combined reserve fund balance of \$3.8 billion as of September 2024, the state had more reserves than needed to meet these rating agency guidelines. In addition, having two reserve funds lets states decide which fund should be used first, allow a broader range of uses for one fund, or have separate investment policies for each fund. Both Louisiana funds are invested as part of the General Fund portfolio, which mainly holds bonds, notes, and bills and earned a 1.3% annual rate of return over the past 10 years. However, state law allows the Revenue Stabilization Trust Fund to be invested in the same manner as the Millennium Trust, which can hold up to 35% of its value in equities and which earned a 4.2% rate of return over the same period. To earn an even higher rate of return, the state could use reserve fund money to pay down the Unfunded Accrued Liability of Louisiana’s two largest public retirement systems, which typically earn more than 7%. Paying down the UAL ahead of schedule would save money for state and local government entities.

Cash Balances in Dedicated Funds

November 12, 2024

This companion report to the Budgetary Reserves report analyzed the accounting system cash balances in Louisiana’s constitutionally- and statutorily-dedicated funds from fiscal years 2020 through 2024. The report showed that accounting system cash balances grew 106% between fiscal years 2020 and 2024, from \$7.9 billion to \$16.3 billion, mostly attributable to the Revenue Stabilization Trust Fund and various funds dedicated to infrastructure.



Baton Rouge
(Image by Cameron Fontenot from Pixabay)

FINANCIAL AUDIT SERVICES

Louisiana Department of Revenue

February 7, 2024

For the *second consecutive year*, the Louisiana Department of Revenue (LDR) did not have adequate controls over its payroll processing. Some employee time statements were not certified by employees in a timely manner or were not certified at all, and some time statements were not approved by supervisors in a timely manner or were not approved at all. *A prior-report finding related to inadequate preparation of Annual Fiscal Report was resolved.*

Louisiana Department of Treasury

February 21, 2024

The department did not complete, review, and approve bank reconciliations in a timely manner during fiscal year 2023. Specifically, various bank reconciliations were not completed, reviewed, and approved until between 37 and 354 days after the relevant month-end.

Louisiana State University and Related Campuses

February 21, 2024

For the *third consecutive year*, Louisiana State University and A&M College (LSU A&M) did not have adequate controls in place to accurately maintain active and inactive Federal Perkins Loan records in accordance with federal regulations. In addition, LSU A&M did not have adequate controls in place to safeguard equipment acquired with federal Research and Development funds.

Central Louisiana Technical Community College

February 22, 2024

The college did not have adequate controls in place for the preparation of certain areas of its financial statements, resulting in an overstatement of \$627,951 for scholarships and fellowships expenses, an understatement of the same amount for receivables, and classification errors in the related note disclosure. This is the *second consecutive year* weaknesses over financial reporting related to student receivables have been reported.

Beth Q. Davis CPA

**First Assistant Legislative Auditor
and Director of Financial Audit Services**

Louisiana Workforce Commission

March 6, 2024

For the *fifth consecutive year*, the Louisiana Workforce Commission (LWC) did not adequately monitor subrecipients and did not adequately review subrecipient Single Audit reports and issue timely management decisions under the Workforce Innovation and Opportunity Act (WIOA) Cluster programs. LWC was not able to produce evidence of its process to review and approve data submissions required by the Federal Funding Accountability and Transparency Act (FFATA) for the WIOA Cluster programs. In addition, the data submissions were made after the due date specified by federal regulations. *A prior-year finding related to inadequate controls over and noncompliance with Unemployment Insurance benefits requirements was resolved.*

University of New Orleans

March 6, 2024

The university did not adequately document its cybersecurity response to an indicator of compromise that occurred in March 2023. *Prior-report findings related to management override of controls over public works project, theft of cash received by the Athletics Department, and failure to certify and approve time and attendance records were resolved.*

Governor's Office of Homeland Security and Emergency Preparedness

March 13, 2024

The Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) did not comply with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements for the Flood Mitigation Assistance program. As of June 30, 2023, GOHSEP had not entered information into the FFATA Subaward Reporting System for any of the 50 subawards of \$30,000 or more totaling \$125,920,379.

Louisiana Department of Health

March 13, 2024

The audit report had 11 findings, eight of which were repeated from the previous year. For the *sixth consecutive year*, the Louisiana Department of Health (LDH) did not enroll and screen Healthy Louisiana managed care providers and dental managed care providers as required by federal regulations. For the *third consecutive year*, LDH did not have adequate controls over financial reporting to ensure its financial reports were accurate, complete, and prepared in accordance with instructions from the Division of Administration, Office of Statewide Reporting and Accounting Policy. In addition, LDH submitted inaccurate federal schedules used to prepare the Schedule of Expenditures of Federal Awards. For the *second consecutive year*, LDH did not follow established payroll policies and procedures for the certification and approval of time sheets, and the approval of leave requests. For the *fourth consecutive year*, the Office of Public Health (OPH) did not ensure payroll expenditures were certified and approved for the Public Health Emergency Preparedness program and the HIV Prevention Activities Health Department Based program.

LDH also erroneously double-reported expenditures for the Medicaid program and did not complete certain quarterly checklist reviews intended to ensure compliance with federal regulations for the Medicaid program and the Children’s Health Insurance Program (CHIP). In addition, LDH did not adhere to established policies and procedures related to maternity kick payments for fiscal year 2023. For the *fourth consecutive year*, LDH lacked adequate internal controls over eligibility determinations in the Medicaid and CHIP programs. For the *third consecutive year*, LDH failed to properly implement and monitor National Correct Coding Initiative Requirements for Medically Unlikely edits and Procedure-to-Procedure edits for the Medicaid fee-for-service claims. Additionally, LDH paid Medicaid Home and Community Based Services claims for the New Opportunities Waiver for waiver services and support coordination services that were not properly documented. LDH did not have adequate controls in place to correctly identify the date of discovery for provider overpayments and, for the *second consecutive year*, did not provide sufficient appropriate audit evidence of compliance with federal regulations related to the return of provider overpayments to the Centers for Medicare & Medicaid Services. For the *fifth consecutive year*, LDH, the managed care organizations, and Magellan Health Services did not have adequate controls in place to ensure behavioral health services in the Medicaid and CHIP programs were properly billed and improper encounters were denied. *Prior-year findings related to noncompliance with provider revalidation and screening requirements, inadequate controls and noncompliance over ADP Risk Analysis and System Security review, inadequate controls over drug rebate collections, and inadequate controls over monitoring of abortion claims were resolved.*

Louisiana State University Health Sciences Center – Shreveport

March 13, 2024

For the *fourth consecutive year*, Louisiana State University Health Sciences Center – Shreveport (LSUHSC-S) did not adequately monitor the billing and collection services performed by a third-party servicer and the related sub-service organization. Also, for the *fourth consecutive year*, LSUHSC-S did not maintain adequate controls over payroll processing of supplemental compensation. For the *fifth consecutive year*, LSUHSC-S did not ensure its internal controls over documentation of personnel services were operating effectively, and did not ensure compliance with federal guidance related to cost transfers applicable to the Research and Development Cluster. For the *fifth consecutive year*, LSUHSC-S did not have adequate controls in place to ensure compliance with Special Tests and Provisions requirements. *A prior-year finding related to weakness in controls over cash management requirements was resolved.*

Grambling State University

March 20, 2024

For the *second consecutive engagement*, some employees had inappropriate access to the university's Banner System. For the *third consecutive year*, the university did not have adequate controls in place to ensure the return of Title IV funds was accurately calculated and the funds were returned to the U.S. Department of Education as required by federal regulations. Also, for the *third consecutive year*, the university did not comply with all of the requirements of the Gramm-Leach-Bliley Act for protecting student information. In addition, the university did not have adequate controls in place over certain information technology functions and cyber-related response documentation following a March 2022 cybersecurity event. *A prior-report finding related to noncompliance with borrower data and reconciliation requirements was resolved.*

University of Louisiana at Lafayette

March 20, 2024

For the *second consecutive year*, the university did not bill for federal, state, local, and non-governmental grants and contracts revenue in a timely manner in accordance with contract terms and internal policy. For the *third consecutive year*, the university did not have adequate controls in place to ensure personnel expenses and effort charged to federal Research and Development (R&D) awards accurately reflected work performed. Also, for the *third consecutive year*, the university did not adequately monitor subrecipients of the R&D Cluster programs. *A prior-year finding related to noncompliance with Gramm-Leach-Bliley Act regarding student information security was resolved.*

Louisiana Department of Agriculture and Forestry

April 3, 2024

The Louisiana Department of Agriculture and Forestry (LDAF) did not have adequate controls in place over payroll processing, which resulted in employees failing to certify their time statements or certify them in a timely manner and in supervisors failing to approve time statements or approve them in a timely manner. *Prior-report findings related to inadequate controls over reporting on the Schedule of Expenditures of Federal Awards and noncompliance and control weakness over the Forestry Productivity Program were resolved.*

Louisiana Department of Children and Family Services

April 3, 2024

The Louisiana Department of Children and Family Services (DCFS) did not ensure all work activity supporting documentation for cash assistance recipients was accurate and maintained for hours worked under the Temporary Assistance for Needy Families (TANF) program. This is the *12th consecutive year* exceptions with internal control and compliance related to this TANF requirement have been reported. DCFS did not have a formalized process in place to ensure \$16 million of TANF grant funds transferred to the Social Services Block Grant were only used for programs or services for children or their families whose income was less than 200% of the poverty level.

In addition, DCFS did not follow established payroll policies and procedures for certifying and approving time statements and for approving leave requests. This is the *second consecutive year* a weakness in controls over payroll has been reported. Also, DCFS did not report subawards in compliance with the Federal Funding Accountability and Transparency Act (FFATA) in the FFATA Subaward Reporting System during fiscal year 2023 for the Foster Care Title IV-E and TANF programs, as required by federal regulations. This is the *second consecutive year* noncompliance with FFATA reporting requirements has been reported. Additionally, the DCFS Fraud and Recovery Unit identified possible improper activity by two employees who appeared to have violated department policy and state law related to payroll. DCFS did not have adequate controls in place to ensure expenditures were properly charged and allocated in accordance with the Cost Allocation Plan, which assigns costs to federal programs. *Prior-report findings related to weakness in controls over accounting for federal program expenditures, improper employee activity in federal programs, and control weakness relating to Foster Care subrecipient monitoring were resolved.*

Southeastern Louisiana University

April 3, 2024

The university did not have adequate controls in place over certain information technology functions and cyber-related response documentation following a February 2023 cybersecurity event.

Capital Area Human Services District

April 11, 2024

The district did not terminate employee access to its electronic health record system in a timely manner or adequately monitor access as required by district policy. *A prior-report finding related to failure to follow Public Bid law requirements was resolved.*

Department of Military Affairs

April 11, 2024

The department incorrectly reported Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii expenditures totaling approximately \$7 million as National Guard Military Operations and Maintenance Projects expenditures on the Schedule of Expenditures of Federal Awards for fiscal year 2023. In addition, the department did not draw federal funds totaling nearly \$6 million for National Guard Military Operations and Maintenance Projects in a timely manner, resulting in delayed federal reimbursements and potential lost interest revenues. *Prior-report findings related to failure to certify and approve time and attendance records timely and theft of cash receipts were resolved.*

Executive Department

April 11, 2024

The Louisiana Office of Community Development (LOCD) identified \$471,293 in Small Rental Property Program loans for five property owners who failed to comply with one or more of their loan agreement requirements and were assigned to loan recovery status. In addition, LOCD identified approximately \$22.4 million in outstanding loans for 131 loans assigned to loan recovery status in previous years, which included balance increases totaling more than \$9 million during the fiscal year. Another 678 noncompliant loans identified in previous years totaling \$60.6 million remained outstanding. Additionally, LOCD identified \$56,116 in noncompliant Restore Louisiana Homeowner Assistance Program awards for 10 homeowners, while 37 noncompliant files totaling \$618,085 identified in previous years were still outstanding. For the *third consecutive year*, LOCD did not comply with Federal Funding Accountability and Transparency Act reporting requirements for the Community Development Block Grant program. The Executive Office also did not follow Division of Administration policies related to payroll expenditures and leave requests. *A prior-year finding related to inadequate controls over financial reporting was resolved.*

Louisiana Department of Education

May 8, 2024

For the *third consecutive audit*, the Louisiana Department of Education (LDOE) did not fully comply with Federal Funding Accountability and Transparency Act reporting requirements. Specifically, the department overreported subaward amounts for the Child Nutrition Cluster and Child and Adult Care Food Program by approximately \$2.3 billion. The department also reported incorrect obligation dates for 28 subawards totaling \$966,100 in the Education Stabilization Fund program. In addition, management did not ensure purchases made with the LaCarte card and Travel card were electronically signed off in the department's online banking system in a timely manner and in accordance with LDOE and state policies. *A prior-report finding related to weaknesses in controls over Child Care and Development Fund grants was resolved.*

Louisiana Department of Transportation and Development

May 8, 2024

For the *fifth consecutive year*, the department did not have adequate controls in place to ensure all close-out documentation for federal projects in the Highway Planning and Construction Program was submitted in a timely manner. In addition, the department did not follow policies designed to ensure contractors and subcontractors complied with federal wage rate requirements for federal projects in the Highway Planning and Construction Program.

Northwestern State University

May 22, 2024

For the *third consecutive year*, the university did not comply with all of the requirements of the Gramm-Leach-Bliley Act for safeguarding student information. The university also did not have adequate controls in place over certain information technology functions and cyber-related response documentation following a March 2022 cybersecurity event. *Prior-report findings related to inadequate controls resulting in theft via direct deposit, weakness in calculation of return of Title IV funds, weakness in controls over eligibility requirements, and untimely return of Title IV funds were resolved.*

Central Louisiana Human Services District

June 12, 2024

For the *second consecutive engagement*, the district lacked adequate controls to ensure employee time and attendance records were certified and/or approved in a timely manner. *Prior-report findings related to not billing in accordance with insurers' contract terms and failure to comply with the Office of Debt Recovery agreement were resolved.*

Louisiana Board of Regents

June 12, 2024

The Louisiana Universities Marine Consortium (LUMCON), a program of the Board of Regents, did not complete bank reconciliations in a timely manner or provide evidence reconciliations were reviewed for an account held outside of the state Treasury. In addition, although all of LUMCON's transactions were recorded in the program's accounting records, transactions related to foundation funds were not recorded in the state accounting system during fiscal year 2023. *A prior-year finding related to weaknesses in controls over movable property was resolved.*

Road Home Corporation d/b/a Louisiana Land Trust

June 26, 2024

For the *fourth consecutive year*, the Louisiana Land Trust (LLT) did not have adequate controls in place over its financial reporting. The agency's Annual Fiscal Report, financial statements, and note disclosures contained errors that required adjustments. In addition, LLT did not have adequate controls over its bank reconciliations.

Louisiana Sales and Use Tax Commission for Remote Sellers

July 3, 2024

For the *second consecutive report*, the commission did not complete monthly reconciliations for its three bank accounts in a timely manner. In addition, the commission failed to comply with state laws and regulations related to asset management, records retention, and training. The commission also lacked adequate controls over employee benefits to ensure contributions for retirement, insurance, and deferred compensation were accurate, employee selections for these benefits were supported with documentation in their personnel files, and remittances to benefit providers were made in a timely manner. *Prior-report findings related to inadequate assurance over service organization internal controls and lack of written policies and procedures were resolved.*

Northshore Technical Community College

July 24, 2024

The college did not have adequate controls in place to ensure students who never attended a course they enrolled in had their tuition and fee revenue and awarded scholarships removed from their account balances.

Pinecrest Supports and Services Center

July 24, 2024

The center did not have adequate controls in place to ensure time and attendance records were accurate and approved in the payroll system. In addition, the center did not have adequate controls in place to ensure disbursements from residents' accounts were made in accordance with written policies and procedures.

Drinking Water Revolving Loan Fund - Office of Public Health

August 21, 2024

The Office of Public Health (OPH) did not have adequate controls in place to prepare the Drinking Water Revolving Loan Fund's financial statements and related note disclosures. As a result, the financial statements required numerous adjustments. In addition, OPH did not have adequate controls in place to monitor remaining federal grant funds and to ensure funds were not overdrawn on federal awards within the loan program. OPH also did not ensure payroll expenditures were approved for the Drinking Water Revolving Loan Fund program.

Louisiana Department of Public Safety and Corrections - Corrections Services

August 28, 2024

For the *fourth consecutive engagement*, the department did not have an adequate review process in place for subsequent changes to offender time computations to ensure they complied with department policies related to the application of credits and forfeitures and to ensure complete and accurate information was kept in the department's computer system. In addition, the department did not have adequate controls in place at Louisiana Correctional Institute for Women, Elayn Hunt Correctional Center, B.B. Rayburn Correctional Center, Prison Enterprises, and Dixon Correctional Institute to ensure fuel card transactions were properly monitored and complied with department or facility policies and state regulations.

Louisiana State Board of Optometry Examiners

September 4, 2024

For the *third consecutive report*, the board lacked proper controls over its travel reimbursements. Specifically, there was a lack of supporting documentation, reimbursements were made for charges incurred outside the dates of travel for official board business, duplicate charges were found, and receipts were not itemized. *Prior-report findings related to lack of controls over bank reconciliations, lack of controls over collections, failure to obtain formalized contracts, lack of written policies and procedures, and insufficient support for approved budget were resolved.*

Office of Lieutenant Governor and Department of Culture, Recreation, and Tourism

September 4, 2024

For the *fourth consecutive engagement*, findings related to the William R. Irby Trust were reported. The Office of State Museum (OSM) did not have adequate policies or internal controls related to maintaining sufficient documentation for guest stays in the Lower Pontalba apartment designated by the Trust for museum-related purposes. OSM also did not ensure proper authorization was obtained for all purchases made with Trust funds and did not maintain proper evidence to support approval of the fiscal year 2024 budget. *A prior-report finding related to weakness in controls over admission fee waivers and discounts at state parks was resolved. In addition, prior-report findings related to untimely deposits of museum admission fees and weakness in controls over travel expenditures were not repeated in this report because of improvements made by management.*

Boards, Commissions, and Like Entities

September 11, 2024

The Louisiana Boards & Commissions website contained information on 491 boards as of June 30, 2024, which was an increase of eight from fiscal year 2023. Ten boards were added in fiscal year 2024, but two boards were removed, resulting in the increase. In addition, 13 boards did not respond to a request for personnel data and financial information. Of the 13, one did not answer a similar request the previous year. Eighteen boards were identified as inactive, not fully organized, or disbanded, 12 of which were also identified as inactive in the prior year. Thirty-four boards reported their status as active, but had not reported any meeting notices or minutes since December 31, 2020. Six of the 34 also did not list any board members on the Boards & Commissions website. For fiscal year 2024, the boards collectively reported budgeted payments to board members of approximately \$1.6 million for per diems, \$2.8 million for salaries, and \$2.3 million for travel expenses.

Florida Parishes Human Services Authority

September 27, 2024

The authority failed to maintain adequate controls over payroll processing, which resulted in time statements not being certified by employees and/or approved by supervisors in a timely manner or at all. *A prior-report finding related to failure to follow Public Bid Law requirements was resolved.*

Student Tuition Assistance and Revenue Trust (START) Programs

November 20, 2024

For the *second consecutive year*, and despite some improvements noted, the Louisiana Office of Student Financial Assistance did not have adequate controls over financial reporting to ensure the START Programs' financial statements were accurate and complete. As a result, numerous adjustments were required, some of which were material.

Louisiana State University at Shreveport

December 11, 2024

For the *third consecutive engagement*, the university did not ensure bank reconciliations were properly prepared and did not accurately and timely record transactions in its accounting systems. Also, for the *third consecutive report*, the university did not maintain adequate controls over the certification of time and attendance records for unclassified employees. In addition, during the year, Athletics Department management identified two instances of theft of cash receipts estimated at approximately \$8,850. The exact amount could not be determined because of a lack of documentation for the cash receipts.

Louisiana Department of Environmental Quality

December 20, 2024

For the *third consecutive engagement*, the Louisiana Department of Environmental Quality (LDEQ) did not have an effective internal audit function and did not fully adhere to the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*. In addition, LDEQ did not have adequate controls in place to monitor the collection of penalties and settlements for the Hazardous Waste Site Cleanup Fund.

INVESTIGATIVE AUDIT SERVICES

13th Judicial District Public Defender Office

January 24, 2024

Investigative auditors found the former public defender increased his salary twice - in October 2016 and August 2018 - without seeking approval from the Louisiana Public Defender Board as required by his contract with the board. As a result, between October 2016 and March 2020, the former public defender was paid \$66,194 in excess of his board-approved salary.

25th Judicial District Public Defender Office

January 24, 2024

Investigative auditors found the former public defender authorized student loan assistance payments totaling \$15,619 to herself and three employees between May and June 2022 in violation of her contract with the Louisiana Public Defender Board. Under the contract, the former public defender was permitted to use district funds to pay the employer's portion of public retirement and health insurance premiums for office personnel, but was prohibited from receiving any of the benefits the board made available to district employees.

Grant Parish School Board

February 7, 2024

Investigative auditors found the contractor hired by the Grant Parish School Board (GPSB) to perform mold remediation services, Benchmark Professionals, LLC, may have overbilled GPSB for those services. Of the approximately \$4 million GPSB paid Benchmark for mold remediation services from September 2020 to March 2021, only \$720,231 was paid to Benchmark's subcontractors and \$1,353,300 in sales commissions was paid to the project manager for GPSB's construction manager, Cimarron Underground Services, LLC. GPSB also paid Cimarron approximately \$8.28 million for emergency remediation services, temporary rentals, and construction management services after Hurricane Laura and subsequent weather events. GPSB may have improperly paid Cimarron for services that were outside the scope of its contracts, including up to \$3,286,923 in permanent repairs billed on a time and materials basis without competitive bidding or written contracts. Cimarron may also have billed GPSB \$435,139 for labor, materials, and equipment not provided or billed for greater amounts and/or durations than actually provided. Additionally, auditors found multiple contractors, including Cimarron, appeared to have provided GPSB with false quotes for a temporary roofing project in order to steer that work to Benchmark.

Roger W. Harris JD, CCEP, CFI

Executive Counsel

and Assistant Legislative Auditor for Investigations

Southern Heights Neighborhood Crime Prevention and Improvement District

February 14, 2024

Investigative auditors found the district could not provide records to demonstrate its 2021, 2022, and 2023 budgets were properly adopted, as required by the Local Government Budget Act. In addition, the district could not show that public meetings were advertised, conducted, and documented properly during the same period, as required by the Open Meetings law. Auditors also found the district's board-approved bylaws did not match the legislation that created the district.

Town of Winnsboro

February 21, 2024

Investigative auditors found the mayor approved the purchase of \$11,399 in outdoor griddles for town employees as an "employee appreciation gift" in November 2022. In addition, the Town purchased \$737 in gift cards for employee of the month awards and paid \$1,836 for parties and celebrations from September 2021 to May 2023. However, the Town's policy manual does not contain any provisions for when an employee qualifies for such awards or the maximum value permitted for the awards. State law allows governing bodies to establish merit award systems for full-time, permanent employees, but the plan must be in writing and available for inspection by all employees.

Town of Oberlin

March 13, 2024

Investigative auditors found the Town could not show it properly adopted a budget for fiscal years 2021 through 2024, and failed to maintain an ordinance book listing all of the ordinances approved by the Town Council. In addition, the Town failed to budget \$640,365 in American Rescue Plan Act (ARPA) funds and made improper payments totaling \$35,076 to town officials. Auditors also found the Town paid four employees and the town attorney for working on the ARPA funds, but had no records to document the work; the former finance clerk paid herself for unearned leave and did not record all the sick leave she used; the former town clerk was improperly paid \$10,896 for 404 hours of overtime; the Town operated its own Local Agency Compensated Enforcement (LACE) Program through the Mayor's Court without an agreement with the District Attorney; the Town issued citations that specified violations of state law instead of town ordinances; the Town did not remit all mandatory court costs as required; the police chief improperly reduced and modified 25 LACE tickets from October 2021 to February 2023, and failed to sign the tickets as required by state law; and between April 2022 and March 2023, the Town used \$192,579 of restricted sales tax revenue for general payroll expenses that likely were not allowable.

Monroe City School Board

March 20, 2024

Investigative auditors found the former Monroe City Schools superintendent submitted false documentation to the school board related to the purchase of creditable service from the Teachers' Retirement System of Louisiana (TRSL). The documentation included a false receipt purportedly from TRSL showing the superintendent made a required payment of \$48,184.92 to TRSL and a false estimate of the cost of purchasing a year of creditable service that resulted in a \$20,000 overpayment he was not entitled to receive. In addition, auditors found the former superintendent was reimbursed \$141,717.66 for funds withheld from his payroll check for his retirement contributions between June 2014 and October 2023, although none of his employment contracts authorized these payments.

City of Bogalusa

July 10, 2024

Investigative auditors found the former mayor improperly approved the use of American Rescue Plan Act funds totaling \$468,125 to pay bonuses to city employees and officials in December 2022. In addition, the City could not provide records to show it properly adopted budgets for fiscal years 2023 and 2024, failed to submit contracts to the City Council for approval, failed to obtain council approval for director's salaries and a reorganization plan to hire new positions, dissolved commissions created by the council without council action, failed to reduce certain public works contracts to writing as required by law, and hired contractors who did not have the appropriate licenses required by state law. Between January 2022 and September 2023, the City appeared to have donated a total of \$37,600 to at least five organizations without proper documentation and/or cooperative endeavor agreements and to have paid certain employees \$20,686 in overtime pay for hours not worked. The City also paid out \$212,075 for unused vacation time between October 2022 and April 2024 in violation of its own vacation policy and the Department of Public Works union contract, and paid two employees \$12,751 for unused sick leave while they were still employed. Additionally, the City signed a contract for mosquito control services with a company based on false information provided by the vendor and paid \$6,088 for services that were not provided. The City failed to make fiscal year 2023 retirement contributions to the Municipal Employees' Retirement System and the Firefighters' Retirement System in a timely manner, which resulted in additional interest charges of \$6,232, and failed to respond to a vendor's request to inspect public records, which resulted in \$4,038 in attorney's fees, court costs, and penalties. Additionally, the City misclassified several city workers as independent contractors. Auditors found as well that the City lacked adequate policies and procedures to handle delinquent utility accounts, and, as of October 11, 2023, had a past-due total of \$2,098,909. The City also failed to put appropriate identification on a city vehicle, signed a contract for consulting services with a former city worker before the required two years since the employee's last day of work had elapsed, and failed to fully comply with the requirements and recommendations of a three-year plan approved by the Fiscal Review Committee in July 2021 that allowed the City to come out from under fiscal administration.

St. John the Baptist Parish Clerk of Court

December 11, 2024

Investigative auditors found the Clerk of Court's office paid two vendors \$285,709 for accounting services from January 2017 to October 2023. However, records show the services were not always provided or provided in a timely manner. The accountant who was to perform the work was an employee of the first vendor and then owner of the second vendor. The accountant identified himself as a Certified Public Accountant, but when auditors checked the state boards of accountancy in Louisiana and California, they found no record of the accountant being a licensed or certificated CPA in either state. Auditors also found that during the nearly 82 months the accountant provided services to the clerk's office, the agency's required annual audit was between five and 35 months late. In addition, the October 2023 accounting records showed the most recent bank reconciliation for the office's Salary Fund was dated May 31, 2021.

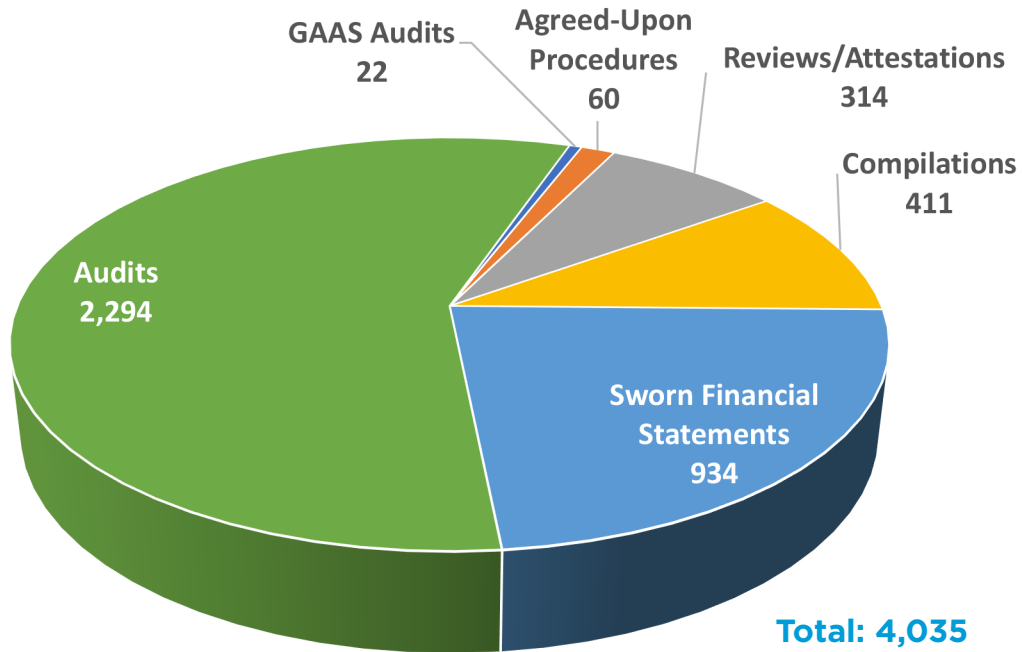
Town of Abita Springs

December 11, 2024

Investigative auditors found the former finance clerk diverted \$41,773 in public funds from the Town's Venmo account to her personal Venmo account between August 29, 2022, and September 1, 2023. In addition, she used town credit cards issued in the names of the mayor, town clerk, and public works directors, and an unapproved credit card in her name to make \$87,227 in personal purchases between December 2020 and September 2023. Auditors found, too, that the former finance clerk recorded false transactions in the Town's accounting records and modified a town credit card statement to conceal the unapproved credit card. Additionally, auditors found the former public works supervisor used three town credit cards and a charge account at Home Depot to make \$132,633 in personal purchases between November 2021 and August 2023.

LOCAL GOVERNMENT SERVICES

Local Government Services staff reviewed and processed the following local auditee engagements and reports during 2024:



During the 2024 calendar year, local auditee reports contained hundreds of findings related to deficiencies in operations, controls, and compliance with laws and regulations. These findings included:

- Misappropriations and ethics violations
- Noncompliance with federal regulations in local governments' administration of federal programs
- Noncompliance with bond covenants or loan agreements
- Noncompliance with state laws covering budgets, public bids, open meetings, untimely deposits, and late filings of financial statements
- Lack of reconciliation of bank and other accounts
- Errors in accounting records
- Deficit fund balances

Judith Dettwiller CPA, CIA

**Assistant Legislative Auditor
and Director of Local Government Services**

Extension Requests

Local auditees may request an extension of time to submit their reports to the LLA because of delays caused by declared emergencies and other non-emergencies that are nevertheless beyond the control of the local auditee. Local Government Services presented **401** extension requests to the Legislative Audit Advisory Council for approval in 2024, a 14 percent decrease over the prior year.

- *Emergency (hurricanes Laura, Delta, Ida, and Francine; wildfires)*
 - 90 days or less: **4**
 - Greater than 90 days: **5**
- *Non-emergency (turnover or illness in key staff; software implementation; other)*
 - 90 days or less: **271**
 - Greater than 90 days: **121**

Statewide Agreed-Upon Procedures

The objective of the statewide agreed-upon procedures, which have been required by those entities submitting an audit report since 2017, is to correct internal control processes of local entities in order to lessen their risks of fraud, waste, or abuse in the future. In 2024, a two-year cycle was introduced whereby entities that submitted the prior year's audit report within six months of the end of the fiscal year need only have tested in the current year those procedures that had exceptions in the prior year. The goal of implementing this two-year cycle was to provide a financial incentive to encourage entities to both submit their audit reports on time and resolve their statewide agreed-upon procedures exceptions.

In 2024, **767** audit reports were submitted with statewide agreed-upon procedures. A total of **1,834** exceptions were reported, the top five of which and their percent of the total number of exceptions were:

- Written policies and procedures (15%)
- Bank reconciliations (15%)
- Collections (14%)
- Non-payroll disbursements (11%), and
- Credit cards (10%)



In 2024, the Center for Local Government Excellence offered complimentary training sessions in March and October that were available to participants both in-person and online, and included four hours each on the rules of procurement and managing public water systems in Louisiana. In addition, the sessions were recorded and uploaded to the LLA's YouTube channel to make them available to anyone interested in local governance.

Other 2024 sessions focused on:

- Legislative changes and cybersecurity;
- State laws regarding public bid, budgeting, human resources, mandatory training, and banking, collateralizing, and investing public funds; and
- Operations of local governments, including segregation of duties, statewide agreed-upon procedures, and updated Justice System Funding Schedules.

More than **2,300** individuals from **958** agencies participated in the two sessions, which offered a total of 20 hours of continuing professional education. Since the Center began in late 2015, more than **8,000** government officials and staff members, certified public accountants, and others have participated in the trainings. The proactive goal of these training sessions is to enable local officials and their staffs to immediately apply the knowledge and skills they learn to their respective governments and use that knowledge to make a positive difference for those they serve, which will ultimately improve the services provided by local governments and the quality of local government audits.

Making Presentations as Invited Guests

From January through December 2024, **nine** Local Government and Advisory staff members made **61** presentations to a CPA firm and the following professional and other organizations:

- Accounting and Financial Women’s Alliance, New Orleans Chapter
- City of Bastrop
- City of Central School Board
- Government Finance Officers Association of the United States and Canada
- Government Finance Officers Association of Louisiana
- International Legislative Drafting Institute
- Louisiana Association of School Business Officials
- Louisiana Association of Tax Administrators
- Louisiana Court Administrators Association
- Louisiana Department of Education
- Louisiana Fire Chiefs Association
- Louisiana Judicial College
- Louisiana Lottery Corporation
- Louisiana Municipal Association
- Louisiana Municipal Clerks’ Association
- Louisiana Rural Water Association
- Public Defender Association of Louisiana
- Society of Louisiana Certified Public Accountants
- Town of Ferriday
- University of Holy Cross

2020 Act 87: Justice System Funding Schedules

Act 87 of the 2020 Regular Legislative Session required the LLA and the Louisiana Supreme Court to develop a uniform reporting format for local and state entities that assess, collect, or receive revenue from pre- or post-adjudication costs, fines, and fees. The justice system funding reporting schedules were required to be included in reports beginning with fiscal years ending on or after December 31, 2020. In fiscal year 2024, **903** schedules were submitted.

2022 Act 669: Uniform Sales Tax Reporting

Act 669 of the 2022 Regular Legislative Session required the LLA and the Louisiana Uniform Local Sales Tax Board to develop a uniform reporting schedule for all entities that serve as single sales and use tax collectors for all taxing authorities within a parish that are compensated based on the cost of collection. The goal of the schedule is to provide a more complete and accurate understanding of how local sales and use taxes are collected and disbursed to local taxing authorities and of the actual cost of collecting local sales and use taxes. The Schedule of Collections, Distributions, and Costs of Collection were required to be included in reports beginning with fiscal years ending on or after December 31, 2023. In 2024, **42** schedules were submitted.



New Orleans
(Image by David McCormack from Pixabay)

PERFORMANCE AUDIT SERVICES

Louisiana’s Public Ports System – Comparison to Other Southern Coastal States and Recommendations for Improvement

January 31, 2024

This informational report examined Louisiana’s public ports system and compared it to the port systems of eight other Southern coastal states. Louisiana has 32 active public ports and 10 developing public ports, which fall into one of three categories – deep-water, coastal, or inland. The report detailed the ports’ national rankings, governance structure, funding and infrastructure investments, challenges, economic impact, and competitors and offered several suggestions for improvement. As of 2021, Louisiana had five of its 32 active public ports ranked in the top 15 ports nationwide by waterborne tonnage (i.e., cargo moved by water) and eight in the top 100, according to the U.S. Bureau of Transportation Statistics. In 2019, Louisiana lost the number one ranking in waterborne tonnage to Port Houston. In addition, when compared to the eight other Southern coastal states that were evaluated, Louisiana’s dedicated funding to ports was higher than Alabama, Georgia, and South Carolina, but less than the five other states – Florida, Mississippi, North Carolina, Texas, and Virginia – for fiscal years 2022 through 2024.

Profiles of Louisiana’s Public Ports

January 31, 2024

This informational report provided detailed profiles of each of Louisiana’s 32 active public ports and 10 developing public ports.

State Supplemental Pay Program

January 31, 2024

[\(Podcast available\)](#)

This performance audit of the State Supplemental Pay Program found municipal police and fire supplemental pay boards have not consistently enforced state law. As a result, some ineligible individuals are receiving supplemental pay. In addition, some Sheriffs’ Office personnel whose job duties do not meet state law are receiving supplemental pay. The Department of Public Safety and Corrections payment process is also inefficient and confusing, which has resulted in payments to ex-employees. As of December 2023, the State had not been repaid \$574,942 in overpayments. Additionally, not all police chiefs have taken the required number of hours of training to receive supplemental pay, as required by state law.

Karen C. Leblanc CIA, CGAP

**Assistant Legislative Auditor
and Director of Performance Audit Services**

Safety Planning in Louisiana’s Elementary and Secondary Public Schools

February 7, 2024

This informational report reviewed the status and quality of emergency operations plans and other security measures in Louisiana’s elementary and secondary public schools. The review found that not all schools had Emergency Operations Plans (EOPs) that met best practices and legal requirements. In addition, while Louisiana received approximately \$26 million in grant funding for school safety, including approximately \$3.7 million to develop, improve, and implement EOPs, grant administrators let the \$3.7 million grant expire with \$1.6 million unspent because of low program participation. Despite available funding to implement required emergency notification and anonymous reporting systems, not all schools took part in state-provided systems or implemented alternative systems. Louisiana also did not require periodic site assessments of school campuses to ensure physical security measures complied with state law and best practices and not every public school had a school resource officer as recommended by school safety officials.

Capital Outlay (House Bill 2) Transportation Projects – Response to House Resolution No. 169 of the 2023 Regular Legislative Session

February 14, 2024

This informational report examined the capital outlay process and the status of transportation line-item projects administered by the Department of Transportation and Development (DOTD) included in the Capital Outlay Act (House Bill 2). The examination found that during the 2017 Second Extraordinary Legislative Session, 34 DOTD projects were included in HB2 as separate line-item projects for fiscal year 2018. As of January 1, 2024, construction had not started on 11 projects because they were in the pre-construction phase, waiting for full funding, or cancelled. In addition, transportation line-item projects in HB2 may not go through the established legislative approval process for DOTD-administered programs, such as projects that are part of the Highway Priority Program. Transportation line-item projects also are not guaranteed funding approval from the State Bond Commission. Additionally, recent changes in the capital outlay process may affect legislators’ ability to understand the scope and cost of the projects before voting on the capital outlay bill. In 2021, the Legislature passed a new exception that allows any state-owned or administered projects to be added to HB2 at any point during the ongoing legislative session.

Justice Reinvestment Initiative – Challenges and Impact

February 14, 2024

[\(Podcast available\)](#)

This performance audit of the Justice Reinvestment Initiative (JRI) found that there is no consensus among criminal justice stakeholders on the impact of JRI, criminal justice data systems across the state are not integrated, and the COVID-19 pandemic disrupted the criminal justice system, each of which led to challenges in fully implementing and evaluating the initiative. While approximately half of state inmates are housed in local correctional facilities, these facilities do not offer the same level of educational or career and technical education programs as state facilities. After JRI was implemented, the number of inmates decreased while the percentage of inmates who were violent increased, which was in line with a JRI goal.

The percentage of those who were released from incarceration and subsequently returned was lower than the five years before JRI took effect, while those who did return returned sooner than in previous years. In addition, the Louisiana Department of Public Safety and Corrections and the Office of Juvenile Justice had not developed performance measures to measure the outcomes of their JRI-funded programs and determine which programs to adjust or expand. Also, fewer than 50.0% of inmates participated in programs in each year analyzed, and certain services such as emergency transitional housing served a small portion of those on community supervision.

Uniform Crime Reporting

February 14, 2024

This informational report reviewed how crime statistics are reported by local law enforcement agencies to the Louisiana Commission on Law Enforcement (LCLE) and the Federal Bureau of Investigation (FBI). The review found local agencies face challenges in submitting crime data to the FBI Uniform Crime Reporting (UCR) program because of changes in the reporting requirements by the FBI. In January 2021, the FBI moved to the National Incident-Based Reporting System (NIBRS) that captures more detailed information about each crime occurrence. As a result, reporting to the UCR program decreased across the nation, including in Louisiana. Unlike some other states, Louisiana did not require agencies to submit NIBRS crime data before the federal requirements changed. Approximately 256 (68.4%) of 374 local law enforcement agencies reported NIBRS crime data to the FBI in 2022. This included agencies that reported their crime data through another agency's records management system. Most agencies that did not report were actively working toward the necessary certification. However, their efforts were hampered by funding and resource constraints, the complexity of the NIBRS reporting process, and the need to upgrade to a records management system that is compliant with the Louisiana Incident-Based Reporting System.

Coordination of Public Assistance and Workforce Development Programs

February 28, 2024

[\(Podcast available\)](#)

This performance audit of the participation, costs, and outcomes for certain public assistance and workforce development programs identified areas for improved coordination among the programs. In 2023, Louisiana spent approximately \$3.27 billion on these programs, which served about 1.07 million individuals. Louisiana needs more collaboration among agencies and stakeholders in order to implement a unified vision and plan detailing how best to coordinate and administer public assistance and workforce development programs. Improved coordination of these programs must flow from the governor and cabinet-level leadership. Potential strategies for improved coordination could include increased public information and data and/or document sharing. Measuring program outcomes also could help Louisiana determine which programs, contractors, and providers are the most effective in meeting their goals.

Therapeutic Marijuana

April 16, 2024

This informational brief examined the therapeutic marijuana programs at the Louisiana State University Agricultural Center and the Southern University Agricultural Center, their revenues and expenditures, and the research projects conducted.

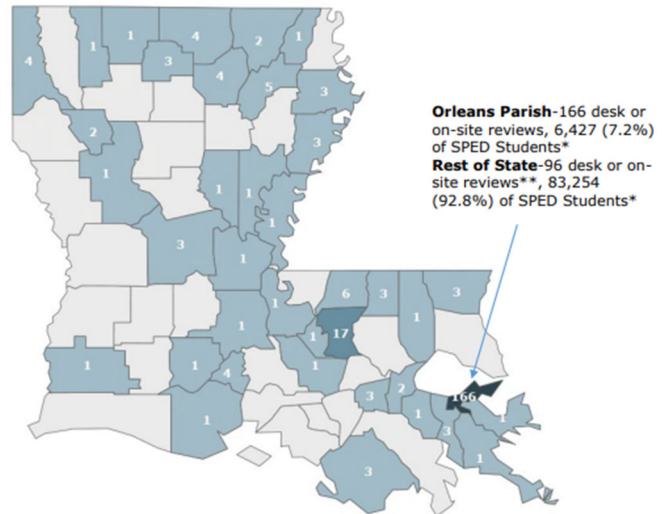
Risk-Based Monitoring of Special Education Services

May 15, 2024

[\(Podcast available\)](#)

This performance audit of the Louisiana Department of Education's (LDOE) risk-based monitoring of special education services provided to students with disabilities found the department did not conduct desk or on-site reviews for 43 of 100 school systems from academic years 2015-2016 to 2021-2022 to ensure certain fundamental rights of these students were protected. For the desk and on-site reviews LDOE did conduct, the department's process to select students during these reviews did not ensure it monitored all applicable federal and state law requirements listed in its monitoring protocol. In addition, between fiscal years 2012 and 2019, LDOE reduced the number of employees dedicated to special education and entered into a consent judgment in Orleans Parish, both of which may have contributed to the department's inability to conduct on-site and desk reviews in a timely manner and provide support to school systems. Additionally, LDOE did not develop policies and procedures or guidance for school systems to follow for informal removals and did not follow federal regulations when it calculated significant disproportionality related to discipline.

Locations and Number of LDOE Desk and On-Site Reviews
Academic Years 2015-16 through 2021-22



*Out of 89,681 students receiving special education services as of the October 1, 2022 student count.
**This includes all desk and on-site reviews LDOE conducted during academic years 2015-16 through 2021-22, not only reviews conducted on school systems open this entire time period.
Source: Prepared by legislative auditor's staff using desk and on-site review records from LDOE.

Oversight of Medicaid Quality Care

May 23, 2024

[\(Podcast available\)](#)

This performance audit found that while the Louisiana Department of Health (LDH) withholds 1.0% of per-member, per-month fees as part of its quality withhold incentive program

Number of Months Beneficiaries Received No Medicaid Services January 2018 through December 2022		
Range of Months	Number of Beneficiaries	PMPMs Paid
13 to 23 months	23,002	\$163,105,556
24 to 35 months	9,021	113,323,704
36 to 47 months	4,540	76,369,957
48 to 59 months	2,771	58,785,863
60 months*	10,560	309,013,235
Total	49,894	\$720,598,315

* Beneficiaries in this group represent those who were enrolled and received no services during the entire scope of our analysis.
Source: Prepared by legislative auditor's staff using Medicaid data.

to encourage the managed care organizations (MCOs) to improve their quality of care, the design of the program allows the MCOs to receive the funds without improving their performance. Of the \$283.6 million withheld from MCOs for this program between calendar years 2018 and 2022, LDH paid the MCOs \$32.2 million (11.4%) when the MCOs met the target but performance decreased from the prior year and \$50.9 million (18.0%) for simply reporting results. In addition, LDH did not use Medicaid data as part of its Quality Strategy to identify beneficiaries who did not receive any services or who did not receive services recommended based on their demographics, such as age and gender. LDH also did not have a consolidated database of beneficiary complaints to allow for comprehensive tracking and trend analysis, and the MCO provider directories and networks were inaccurate.

Broadband Expansion in Louisiana

May 29, 2024

[\(Podcast Available\)](#)

This performance audit of Louisiana's broadband expansion programs evaluated the Louisiana Public Service Commission's (LPSC) role in designating and re-certifying telecommunication providers that receive money from the Rural Digital Opportunity Fund (RDOF), provide information on ConnectLA's coordination of the expansion and accessibility of broadband services, and identify challenges and opportunities related to broadband expansion. It was unclear whether all RDOF providers will meet the service milestones set by the Federal Communications Commission. In addition, as of March 2024, the majority of the Granting Unserved Municipalities Broadband Opportunities (GUMBO) 1.0 projects were in the planning and execution stages. LPSC could improve its oversight of RDOF providers by ensuring they comply with the commission's orders and by reviewing all project information before annually certifying providers. In addition, ConnectLA's staffing is lower than recommended by the federal government, and the office is set to close before the GUMBO 2.0 projects are complete.

Implementation of Louisiana’s Safe Haven Law

May 29, 2024

This informational brief looked at how Louisiana’s Safe Haven Law has been implemented and how it compares with similar laws in other states. Louisiana’s law was passed in 2000. Under the law’s provisions, the Louisiana Department of Children and Family Services (DCFS) is responsible for placing relinquished infants, the maximum age of an infant who can be relinquished is 60 days, and the infant must be relinquished to a designated Safe Haven facility. Between calendar years 2013 and 2023, 64 infants were relinquished through the Safe Haven process in Louisiana.

Drug Abuse Resistance Education (DARE) Program

June 26, 2024

This informational brief provided information and statistics relevant to Louisiana’s DARE program. Data gathered showed the program is funded by a combination of state statutory dedications and local money, and the Louisiana Commission on Law Enforcement (LCLE) awards DARE grants from its portion of the Tobacco Tax Health Care Fund to local law enforcement agencies for their programs. Local law enforcement agencies administer the DARE curriculum, but the program is also governed at the national and state levels. In addition, the DARE curriculum has been revised several times. The most recent version – “keepin’ it REAL” – focuses on decision-making strategies to help young people stay away from drugs. Recent studies, however, show mixed results about the effectiveness of the revised curriculum.

Abuse and Neglect in Intermediate Care Facilities for Individuals with Developmental Disabilities

July 17, 2024

[\(Podcast available\)](#)

This performance audit of the Louisiana Department of Health’s (LDH) activities related to abuse and neglect in intermediate care facilities for individuals with developmental disabilities (ICFs) found the department improved the timeliness of its recertification surveys for ICFs from 95.8% in fiscal year 2020 to 100% in fiscal year 2023. In addition, LDH started an onsite investigation for 193 complaints with an Immediate Jeopardy priority within two business days as required. The ICFs reported more than 4,000 incidents of actual or alleged abuse and neglect during fiscal years 2019 through 2023. However, LDH did not ensure the incidents were reported within 24 hours of discovery as required. Additionally, LDH cited the ICFs with 614 deficiencies related to client protections and assessed fines totaling \$450,250 during fiscal years 2019 through 2023; however, fine amounts may not be adequate to deter noncompliance.

Medicaid Dental Benefit Program Manager – DentaQuest

July 31, 2024

This informational brief reviewed DentaQuest’s contract, analyzed Medicaid data, and examined certain required contract deliverables. The review found the Louisiana Department of Health (LDH) paid approximately \$408.0 million in per-member, per-month (PMPMs) fees to DentaQuest for dental coverage for approximately 1.2 million Medicaid members from January 1, 2021, through March 31, 2024. DentaQuest paid dental providers approximately \$313.2 million for dental services over the same time period. Because DentaQuest did not meet the contract requirement to spend at least 85% of its PMPMs on dental benefits and services, it had to refund about \$9.1 million to LDH for calendar years 2021 and 2022. DentaQuest also did not meet all requirements for network adequacy as of June 2023 or June 2024. While there were a large number of provider complaints associated with DentaQuest becoming a new dental benefit program manager in calendar year 2021, the number of complaints appeared to have leveled off. In addition, between January 2021 and June 2024, LDH issued more than \$2 million in penalties to DentaQuest for a total of 29 instances of noncompliance with the contract.

Timeliness of Vendor Payments – City of New Orleans

August 7, 2024

[\(Podcast available\)](#)

This performance audit of the City of New Orleans’ vendor payment processes found the City cannot accurately determine how long it takes to pay vendors. While the City generally pays invoices within 30 days after vendors submit invoices into the Budget, Requisition, and Accounting Services System (BRASS), the system does not capture the entire invoicing process. In addition, the Accounts Payable department can delete unprocessed invoices in BRASS, which limits the City’s ability to determine overall timeliness, while BRASS cannot produce an audit log that tracks deleted invoices. Contracting and purchase order delays prevent vendors from submitting invoices into BRASS, and the City does not track the timeliness of its contract and purchase order processes. Additionally, the City should improve its communication with vendors to ensure they understand the invoicing process and should better communicate with department staff to ensure they know the proper processes for contracting, invoicing, and using BRASS.

Oversight of the Louisiana Oilfield Restoration Association’s (LORA) Efforts to Address Orphaned Oil and Gas Wells

October 23, 2024

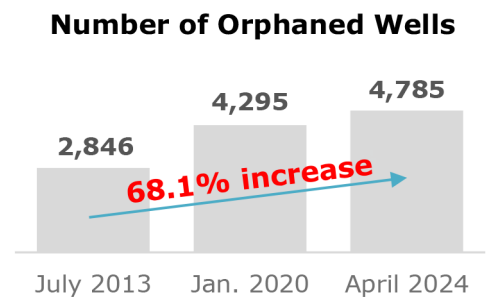
This performance audit of the Office of Conservation’s (OC) oversight of LORA found that OC does not sufficiently monitor LORA to ensure it remains financially solvent and complies with the requirements of the cooperative endeavor agreement (CEA) between the two entities. LORA provided 45.5% of all financial security for Louisiana wells as of October 2023, and its \$5 million reserve was only 3.2% of the \$157.3 million it secured. Additionally, the CEA does not establish clear and comprehensive terms for LORA’s operations, does not adequately protect the state from financial risks if LORA becomes insolvent, allows LORA significant flexibility on how to spend its funds, and provides no timelines for how long LORA has to fulfill its obligation to plug orphaned wells.

Progress Report: State Efforts to Address Orphaned Oil and Gas Wells

October 23, 2024

[\(Podcast available\)](#)

This performance audit of the Office of Conservation’s (OC) progress in addressing issues identified in two previous performance audits found that while more oil and gas wells were covered by financial security since OC removed most exemptions, the financial security amounts were still not enough to cover the cost of plugging orphaned wells. In addition, the Oilfield Site Restoration Program (OSR) and the Louisiana Oilfield Restoration Association (LORA) plugged 976 orphaned wells in fiscal years 2020 through 2023; however, the number of orphaned wells rose 12.4% between October 2023 and April 2024. OC cannot expand the OSR Program to plug more orphaned wells because state law limits the program’s ability to collect adequate funding. Further, the number of inactive wells, which have a higher risk of being orphaned, increased 21.7% from August 2019 to April 2024.



Source: Prepared by legislative auditor’s staff using SONRIS data obtained from OC.

New Orleans Police Department: Staffing, Response Times, and Job Satisfaction

November 13, 2024

This informational report analyzed the staffing, response times, and job satisfaction of the New Orleans Police Department (NOPD) and found the number of NOPD civilian employees increased during calendar years 2019 through 2023, but the number of commissioned officers decreased. In addition, the number of incidents assigned to NOPD has decreased since 2021, while median response times have increased. During calendar years 2019 through 2023, 776 employees left the department. The most common reasons cited were resignation and retirement. In an employee survey, respondents indicated pay, morale, and fairness in promotions and discipline affected their job satisfaction the most. However, the survey results also showed respondents were generally satisfied with their relationships with colleagues and support from supervisors.

Additionally, survey results indicated respondents were concerned about limited equipment and resources, staffing shortages, a lack of training, and their access to secondary employment opportunities. As the number of NOPD officers has declined, the department and New Orleans Civil Service have taken additional measures to address recruitment and retention of officers.

Abuse and Neglect in Home and Community-Based Services

November 27, 2024

[\(Podcast available\)](#)

This performance audit of the Louisiana Department of Health’s (LDH) activities related to abuse and neglect of individuals with intellectual and developmental disabilities receiving home and community-based services (HCBS) found that of the 546 providers that needed a licensure survey during fiscal years 2019 through 2023, LDH did not survey 140 (25.6%) of them. In addition, LDH conducted 1,979 surveys addressing 5,420 separate allegations of noncompliance, with 2,194 (40.5%) related to abuse or neglect. LDH also completed 843 (99.4%) of 848 complaint surveys during fiscal years 2022 and 2023 in accordance with required timelines, which was an improvement over the three previous fiscal years. Additionally, LDH faces numerous challenges in ensuring that critical incident reports are submitted in accordance with program requirements. During fiscal years 2019 through 2023, LDH did not ensure that eight (22.2%) of 36 support coordination providers received all required annual monitoring reviews. While LDH’s Health Standards Section assessed \$193,450 in sanctions against HCBS providers during fiscal years 2019 through 2023, the maximum fine amounts allowed by law have not increased since 1997.

Seclusion, Restraint, and Abuse/Mistreatment of Children with Disabilities in Public Schools

December 11, 2024

[\(Podcast available\)](#)

This performance audit of the Louisiana Department of Education’s (LDOE) oversight of the use of seclusion and restraint for students with disabilities and Louisiana’s laws and regulations related to allegations of staff abuse of students with disabilities found that while LDOE is not required to monitor how school systems use seclusion and restraint, such monitoring would help ensure students with disabilities receive the protections specified in state law. LDOE does not currently monitor whether school systems seclude and restrain students with disabilities to ensure these students are afforded the protections in state law. In addition, LDOE could improve how it reviews seclusion and restraint data submitted by school systems so it can identify systems that may be underreporting. While school systems are required to submit their seclusion and restraint policies to LDOE, the department does not review these policies to ensure they contain required provisions. Additionally, unlike other states, Louisiana does not have a process to ensure teachers who abuse, improperly use seclusion or restraint, or otherwise mistreat students have their certification sanctioned if they have not been criminally convicted or a central registry of school employees not certified by the Board of Elementary and Secondary Education who have abused or mistreated students.

Louisiana’s City Marshals and City Constables

December 18, 2024

This informational brief reviewed the duties, compensation, and staffing for Louisiana City Marshals and City Constables. The review found that compensation for city marshals and constables is made up of their salary, civil fees authorized by state law, and additional compensation authorized either by state law or by a local governing authority. The compensation for city marshals and constables ranged from a low of \$5,400 to a high of \$469,585 in 2023.



Katrina and Rita Memorial Fountain, Southeastern Louisiana University, Hammond
 (Photo by Chad Hebert, LLA)

RECOVERY ASSISTANCE SERVICES

Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP) – Public Assistance and Hazard Mitigation Grant Programs – July 1, 2023, to June 30, 2024

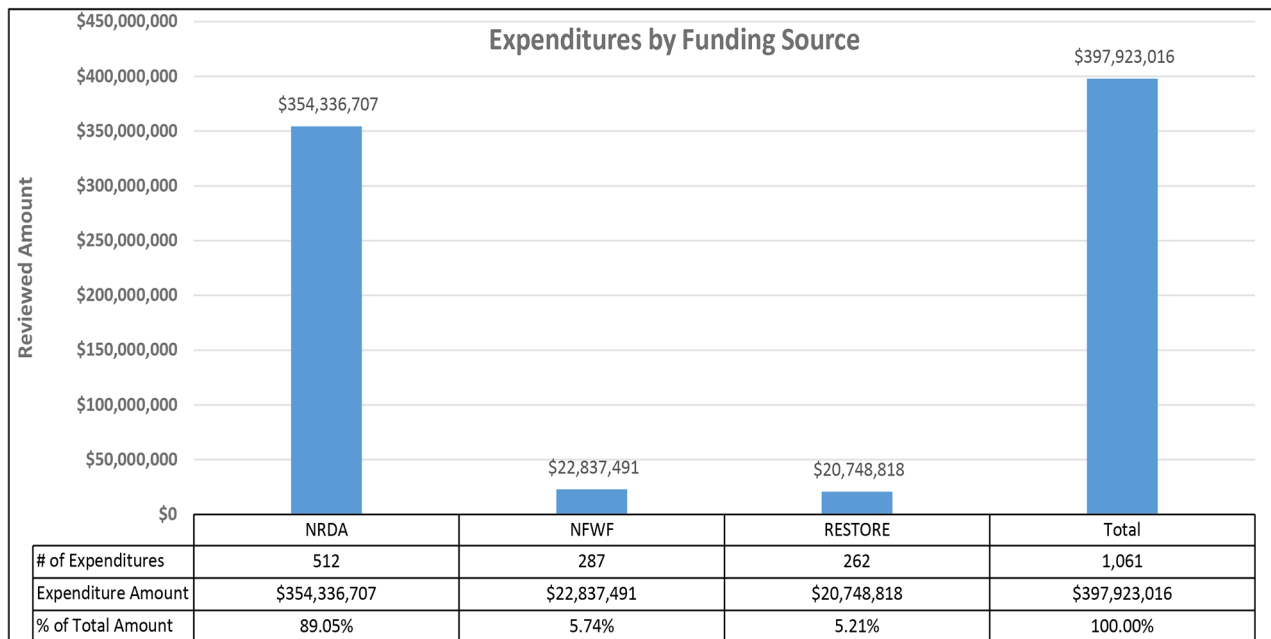
March 21 and April 11, 2024; September 11, 2024

Auditors evaluated the completeness and accuracy of documentation submitted in support of federal reimbursements under the Public Assistance and Hazard Mitigation Grant programs. In fiscal year 2024, auditors conducted 6,064 reviews of federal reimbursement requests totaling \$1,963,906,328 and identified \$517,083,317 in requests that were not supported by sufficient documentation at the time of the review. During the same period, GOHSEP management resolved \$328,517,413 in requests that were not supported by sufficient documentation noted during the current and previous fiscal years.

Coastal Protection and Restoration Authority – Gulf of Mexico Oil Spill Restoration

September 4, 2024

Audit procedures were performed on documentation for 1,061 expenditures totaling \$397,923,016. No exceptions were found.



Victoria Hayes CPA

**Assistant Legislative Auditor
and Director of Recovery Assistance Services**



**Veterans Memorial Park, Baton Rouge
(Photo by Chad Hebert, LLA)**

ACT 461 ANNUAL REPORT

Act 461 of the 2014 Regular Legislative Session requires the Louisiana Legislative Auditor to make quarterly and annual reports to the Joint Legislative Committee on the Budget when audits identify more than \$150,000 in: waste or inefficiencies; missed revenue collections; erroneous or improper payments or overpayments by the state; theft of money; failure to meet funding obligations such as pension or health benefits; failure to comply with federal fund or grant requirements; failure to comply with state funding requirements, including failure to report as required; misappropriation of funds; errors in or insufficient support for disaster expenditures; accountability of public money associated with various disasters such as the Deepwater Horizon event; or repeat findings.



Third Quarter, Fiscal Year 2024

(January-March 2024)

State Agencies

Central Louisiana Technical Community College (CLTCC)

- CLTCC did not have adequate controls in place over the preparation of certain areas of its financial statements, resulting in an overstatement of \$627,951 for scholarships and fellowships expenses, an understatement of the same amount for receivables, and classification errors in the related note disclosure. This is the second consecutive year we have reported weaknesses over financial reporting related to student receivables. **(Repeat)** (\$627,951) *(Exhibit A.2)*

Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP)

- GOHSEP did not comply with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements for the Flood Mitigation Assistance program. As of June 30, 2023, GOHSEP had not entered subaward information into the FFATA Subaward Reporting System for any of the 50 subawards of \$30,000 or more, totaling \$125,920,379. *(\$125,920,379) (p.1)*

Governor's Office of Homeland Security and Emergency Preparedness - Hazard Mitigation Grant Program

- Expenses included in reimbursement requests were not supported by sufficient documentation. *(\$3,063,174) (p.3)*
- Contracts and purchases included in reimbursement requests did not show evidence of compliance with applicable procurement guidelines. *(\$241,220) (p.4)*

Since April 1, 2008, the LLA has noted exceptions totaling \$319,453,323, which includes \$3,355,763 noted this period, and GOHSEP has resolved \$223,631,074, which includes \$5,386,954 resolved this period.

Louisiana Department of Health (LDH)

- For the third consecutive year, LDH submitted an inaccurate Annual Fiscal Report for LDH Medical Vendor Payments to OSRAP. In addition, LDH submitted inaccurate federal schedules used to prepare the Schedule of Expenditures of Federal Awards (SEFA). **(Repeat)** *(Annual Fiscal Report adjustments ranging from \$1.9 million to \$90 million; SEFA adjustments ranging from \$9 million to \$39 million) (p.2)*
- LDH improperly included the same \$16.6 million Medicaid expenditure on both the September 30, 2022, and March 31, 2023, quarterly federal expenditure reports, resulting in \$14.9 million in federal questioned costs for the year ending June 30, 2023. In addition, LDH failed to detect the misreporting of a \$1.7 million recoupment of Disproportionate Share Hospital payments on the wrong federal year schedule for the June 30, 2023, quarterly federal expenditure report. *(\$18.3 million) (p.6)*
- LDH did not adhere to established policies and procedures regarding maternity kick payments for fiscal year 2023. As a result, there is an increased risk that maternity kick payments are being paid to Healthy Louisiana Managed Care Organizations (MCOs) for triggering events that may not have taken place or no longer have satisfactory supporting evidence. *(\$967,137) (p.7)*
- For the fourth consecutive year, LDH lacked adequate internal controls over eligibility determinations in the Medicaid and CHIP programs for the state fiscal year ending June 30, 2023, resulting in questioned costs. **(Repeat)** *(\$232,275) (p.8)*
- For the fifth consecutive year, LDH, the MCOs, and Magellan Health Services did not have adequate controls in place to ensure that behavioral health services in the Medicaid and CHIP programs were properly billed and that improper encounters were denied. **(Repeat)** *(\$16,004,009) (p.13)*

Louisiana Workforce Commission (LWC)

- For the fifth consecutive year, LWC did not adequately monitor subrecipients under the Workforce Innovation and Opportunity Act (WIOA) Cluster programs. LWC's total WIOA expenditures during state fiscal year 2023 totaled over \$56.5 million, with approximately \$47.1 million provided to subrecipients. **(Repeat)** *(\$47.1 million) (p.1)*
- LWC was not able to produce evidence of its process to review and approve data submissions required by FFATA for the WIOA Cluster programs. In addition, the data submissions occurred after the due date specified by federal regulations. All 15 subawards executed and submitted during state fiscal year 2023 exceeded \$30,000, and collectively totaled over \$38.7 million. *(\$38.7 million) (p.3)*

Local Government Agencies

Grant Parish School Board (GPSB)

- Contractor May Have Overbilled GPSB for Mold Remediation Services (\$1,865,056) (p.6)
- GPSB May Have Improperly Paid Contractor for Services Outside the Scope of Its Contracts (\$2,311,576) (p.17)
- Contractor May Have Billed GPSB for Labor, Materials, and Equipment That Was Not Provided or Was Unnecessary (\$435,139) (p.36)

Town of Oberlin

- Improper Use of Dedicated Funds (\$192,579) (p.18)



Fourth Quarter, Fiscal Year 2024

(April-June 2024)

State Agencies

Department of Children and Family Services (DCFS)

- DCFS transferred \$16 million of Temporary Assistance for Needy Families (TANF) grant funds to the Social Services Block Grant (SSBG) during fiscal year 2023. As of June 30, 2023, DCFS did not have a formalized process in place to ensure TANF transfers to SSBG were only used for programs or services for children or their families whose income is less than 200% of the poverty level, as required by federal regulations. (\$16 million) (p.2)
 - DCFS did not report subawards equal to or exceeding \$30,000 in compliance with the Federal Funding Accountability and Transparency Act (FFATA) in the FFATA Subaward Reporting System (FSRS) during fiscal year 2023 for the following federal programs:
 - For the Foster Care Title IV-E program, DCFS disbursed approximately \$11.6 million in subawards exceeding \$30,000 to 10 different subrecipients, four of which were state entities, during fiscal year 2023.
 - For the TANF program, DCFS disbursed approximately \$84.3 million in subawards exceeding \$30,000 to 50 different subrecipients, of which 10 were state entities, during fiscal year 2023.
- (Repeat)** (Foster Care Title IV-E - \$11.6 million/TANF - \$84.3 million) (p.4)

Department of Education (DOE)

- For the third consecutive audit, DOE did not fully comply with FFATA reporting requirements. For the Child Nutrition Cluster and the Child and Adult Care Food Program, DOE overreported subaward amounts in the FSRS by approximately \$2.3 billion. In addition, for the Education Stabilization Fund (ESF) program, DOE reported the incorrect obligation date in FSRS for 28 subawards totaling \$966,100. **(Repeat)** *(Child Nutrition Cluster and Child & Adult Care Food Program - \$2.3 billion/ESF - \$966,100) (p.1)*
- DOE management did not ensure that purchases made with the LaCarte card and Travel card were electronically signed off by the supervisor and/or the cardholder in WORKS, the Bank of America online banking system, in a timely manner and in accordance with DOE and state policies. *(LaCarte card - \$26,640/Travel card - \$156,124) (p.2)*

Department of Health (LDH)

- LDH does not use Medicaid data as part of its Quality Strategy to identify beneficiaries who have not received any services or who have not received recommended services based on demographics, such as age and gender. We found that LDH paid the Managed Care Organizations \$720.5 million to manage the care of 49,894 beneficiaries who appear to have been continuously enrolled in Medicaid for 13 to 60 months between January 2018 and December 2022 but received no services. *(\$720,598,315) (p.10)*

Department of Military Affairs (LMD)

- LMD incorrectly reported Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (Assistance Listing 14.228) expenditures totaling \$7,146,584 as National Guard Military Operations and Maintenance Projects (Assistance Listing 12.401) expenditures on the Schedule of Expenditures of Federal Awards information for the fiscal year ended June 30, 2023. In addition, LMD did not draw federal funds for the National Guard Military Operations and Maintenance Projects in a timely manner, resulting in delays in federal reimbursements and potential lost interest revenues relating to \$5,957,524 of untimely federal drawdowns. *(Incorrect reporting - \$7.1 million/Untimely federal drawdowns - \$6.0 million) (p.1)*

Executive Department

- The Louisiana Office of Community Development (LOCD) identified five Small Rental Property Program (SRPP) loans totaling \$471,293 for property owners under the Community Development Block Grant/State's Program who failed to comply with one or more of their loan agreement requirements and were assigned to loan recovery status in fiscal year 2023. In addition, LOCD identified \$22,435,810 of outstanding SRPP loans for 131 loans assigned to loan recovery status in previous years, which included increases in loan balances totaling \$9,083,940 during the fiscal year. An additional 678 noncompliant loans identified in previous years totaling \$60.6 million remain outstanding. In June 2023, HUD issued a formal letter of guidance to LOCD that included recommended actions to resolve the remaining SRPP ineligible costs. In its responses to HUD's proposals and recommendations, LOCD is working with HUD to implement final corrective action to resolve the HUD issued finding and close out the SRPP. **(Repeat)** (\$9,555,233) (p.2)

Governor's Office of Homeland Security and Emergency Preparedness - Public Assistance Program

- Completed work included in reimbursement requests was not within the approved scope of work and/or the cost estimate was exceeded. (\$9,478,717) (p.4)
- Expenses included in reimbursement requests were not supported by sufficient documentation. (\$88,605,156) (p.4)
- Contracts and purchases included in reimbursement requests did not show evidence of compliance with applicable procurement guidelines. (\$148,372,391) (p.4)
- Expenses included in reimbursement requests were not in compliance with applicable FEMA regulations and guidance. (\$5,983,742) (p.4)
- Expenses included in reimbursement requests were duplicated, omitted, and/or miscategorized. (\$657,493) (p.4)

Since April 1, 2008, the LLA has noted exceptions totaling \$2,162,574,975, which includes \$253,097,499 noted this period, and GOHSEP has resolved \$1,770,712,676, which includes \$140,632,405 resolved this period.

Road Home Corporation d/b/a/ Louisiana Land Trust (LLT)

- For the fourth consecutive year, LLT did not have adequate controls over financial reporting to ensure its financial statements were accurate and complete. As a result, LLT submitted an inaccurate Annual Fiscal Report to the Division of Administration, Office of Statewide Reporting and Accounting Policy that contained errors requiring adjustment. **(Repeat)** (\$10,867,595) (Exhibit A.2)

Local Government Agencies

We did not issue any local government agency reports that met the Act 461 criteria this quarter.

First Quarter, Fiscal Year 2025

(July-September 2024)

State Agencies

Drinking Water Revolving Loan Fund (DWRLF) - Louisiana Department of Health - Office of Public Health

- The Louisiana Department of Health, Office of Public Health (OPH) did not have adequate controls over the preparation of the DWRLF financial statements and related note disclosures (Financial Report) for fiscal year 2023. Failure to perform an adequate review over the DWRLF's Financial Report caused the financial statements and related note disclosures to have numerous errors requiring adjustment, some of which were material. *(Amount: Adjustments ranging from \$855,606 to \$2.7 million) (Exhibit A.2)*
- OPH did not have adequate controls to monitor the federal grant funds remaining and to ensure funds were not overdrawn on federal awards within the DWRLF program. During Fiscal Year 2023, OPH drew \$855,606 in excess federal funds above the allowed budget for the DWRLF's base loan allocation for the applicable award year. *(Amount: \$855,606) (Exhibit B.2)*

Governor's Office of Homeland Security and Emergency Preparedness - Public Assistance Program

- Completed work included in reimbursement requests was not within the approved scope of work, and/or the cost estimate was exceeded. *(Amount: \$19,652,136) (p.4)*
- Expenses included in reimbursement requests were not supported by sufficient documentation. *(Amount: \$177,821,617) (p.4)*
- Contracts and purchases included in reimbursement requests did not show evidence of compliance with applicable procurement guidelines. *(Amount: \$52,629,692) (p.4)*
- Expenses included in reimbursement requests were not in compliance with applicable FEMA regulations and guidance. *(Amount: \$4,833,276) (p.4)*
- Expenses included in reimbursement requests were duplicated, omitted, and/or miscategorized. *(Amount: \$1,765,023) (p.4)*

Since April 1, 2008, the LLA has noted exceptions totaling \$2,419,276,719, which includes \$256,701,744 noted this period, and GOHSEP has resolved \$1,937,319,419, which includes \$166,606,742 resolved this period.

Governor's Office of Homeland Security and Emergency Preparedness - Hazard Mitigation Grant Program

- Completed work included in reimbursement requests was not within the approved scope of work, and/or the cost estimate was exceeded. *(Amount: \$373,876) (p.3)*
- Expenses included in reimbursement requests were not supported by sufficient documentation. *(Amount: \$2,668,311) (p.3)*
- Contracts and purchases included in reimbursement requests did not show evidence of compliance with applicable procurement guidelines. *(Amount: \$752,330) (p.3)*

Since April 1, 2008, the LLA has noted exceptions totaling \$323,381,634, which includes \$3,928,311 noted this period, and GOHSEP has resolved \$239,522,386, which includes \$15,891,312 resolved this period.

Local Government Agencies

City of Bogalusa

- City Used ARPA Funds to Improperly Pay Bonuses to City Employees and Officials *(Amount: \$468,125) (p.7)*
- Improper Leave Payouts *(Amount: \$368,132) (p.19)*

Calcasieu Parish Waterworks District No. 8

- Cash Collections - It is estimated that the District has incurred a loss of cash collections for billing and security deposit payments in the amount of \$481,439 for the periods 2020 through 2023. It is probable that this loss is higher and extends into periods prior to 2020. In addition to the estimated \$481,439 loss for billing and security deposit cash collections, there is another estimated loss of \$15,265 related to the return of collections of bank accounts that were closed or had insufficient funds for water billing payments made by check or automatic withdrawal during 2020 through 2023. All of the data obtained by the parish has been turned over to law enforcement agencies for further analysis and review. However, it appears that the Plant Manager and/ or the Office Manager may have violated La. R.S. 42:1461, as well as other criminal statutes, with the alleged misappropriation of the customer payments related to security deposits and monthly water usage billing. In addition, these actions compromised the District's ability to properly operate the water system. *(Amount: \$496,704) (p.27)*
- Disbursement Activity - It is estimated that the District has incurred a loss of approximately \$291,758 related to District funded disbursement activity that appears to be related to personal activity of the Plant Manager or related parties of the Plant Manager. The period of time for this loss was focused on 2020 to 2023, but the Parish was able to locate some activity in 2019. There is also another estimated loss of \$4,761 related to District-funded disbursement activity that appears to be related to personal activity of the Office Manager. While the Parish focused on the period 2020 to 2023, it is probable that this loss is higher and extends into periods prior to 2020. *(Amount: \$296,519) (p.32)*

Town of Mamou - Savoy Medical Management Corp.

- The Organization's vendor was subject to a business email compromise resulting in a fraudulent modification to the payment instructions. The Organization wired cash in the amount of \$226,330 to an unknown scammer posing as its vendor. On September 21, 2023, the Organization determined that the payment for the August 2023 invoice was not received by the vendor and a breach had occurred. The Organization immediately reported the issue to their bank to attempt to recover the funds. A report was filed with the local authorities, Louisiana State Police, and the Federal Bureau of Investigation. Additionally, the District Attorney and Louisiana Legislative Auditor's office were notified in accordance with Louisiana Revised Statute 24:523. The Organization did not have procedures in place to confirm the wire instructions sent through email were valid, and the wire fraud was not covered by insurance. On September 29, the Organization received notification that \$81,819 of the funds were recovered. *(Amount: \$226,330) (p.27)*



Second Quarter, Fiscal Year 2025

(October-December 2024)

State Government

Louisiana State University at Shreveport (LSUS)

- For the third consecutive engagement, LSUS did not ensure bank reconciliations were properly and timely prepared and did not accurately and timely record transactions in its accounting systems. Bank reconciliations contained an unexplained net difference of more than \$160,000, which has remained since the prior report. The unexplained net difference is due, in part, to a large number of reconciling items that are dated prior to January 2022 and not resolved, including \$1.8 million in transactions recorded in Integrow that did not appear on the bank statement, and \$1.7 million in deposits on the bank statement that were not recorded in Integrow. **(Repeat)** *(Amount: \$167,800 unexplained net difference on bank reconciliation) (p.3)*

Student Tuition Assistance and Revenue Trust Programs (START Programs)

- For the second consecutive year, and despite some improvements noted, the Louisiana Office of Student Financial Assistance did not have adequate controls over financial reporting to ensure START Programs' financial statements were accurate and complete. Failure to perform adequate review over financial reporting caused the financial statements, related note disclosures, required supplementary information, and supplementary information to have numerous errors requiring adjustment, some of which were material. **(Repeat)** *(Amount: Various amounts, with the largest being a \$5.5 million overstatement of interest receivable) (Exhibit A.2)*

Tensas Basin Levee District

- One of the District’s vendors’ email security was compromised, and fraudulent wire instructions were sent to the District resulting in the misappropriation of \$235,000 of District funds. *(Amount: \$ 235,000) (p.44)*

Local Government

Town of Abita Springs

- The Public Works Supervisor and Finance Clerk utilized Town credit cards to make unauthorized purchases that were personal in nature. The Finance Clerk also misappropriated funds through the Town’s Venmo account. Cash was misappropriated upon payment of the Town credit card statements that included unauthorized purchases. Preliminary estimates are approximately \$245,000 in theft. Civil suits have been brought against both parties, and the trial is pending at the date of the report. Insurance covered approximately \$150,000. The investigation has been turned over to federal authorities. *(Amount: \$245,000) (p.57 and 60-61)*

Institute of Women and Ethnic Studies (IWES)

- Funds had been misappropriated by the Chief Operating Officer (COO) and included: the use of an IWES credit card for unauthorized and personal items; payment of personal expenses by submitting vendor bills for payment by IWES; payment of vendors and purchases for the COO’s husband’s birthday party and their anniversary party; receiving excess payroll by increasing their salary without authorization, taking a bonus and an “extra nontaxed” payment, and adjusting accrued vacation hours for payment; and the purchase of gift cards with an IWES credit card for apparent personal use. Funds/assets that were subject to the misappropriation included credit cards and cash. Total potentially fraudulent transactions totaled \$334,930. No formal charges have been brought against the COO, and no restitution has been made. The COO is no longer employed by the agency. *(Amount: \$334,930) (p.9 and 11 of the Auditor’s reports on Uniform Guidance)*

St. John the Baptist Parish Clerk of Court

- Accounting Contractors Were Paid for Work That Was Grossly Inadequate for the Payment Received and Misrepresented Himself as a Certified Public Accountant *(Amount: \$285,709) (p.4)*

Southern Center for Children and Families, Inc. (CFCF)

- During the year, it was discovered that the accountant of the Center engaged in deliberate actions to misappropriate organization funds. Actions include activities such as the unauthorized use of the bank debit card. Also, analysis of transaction records such as payroll checks and accounts payable checks showed multiple instances of unauthorized fund transfers to her personal account. Supporting documents, including transfer confirmations, were linked to the employee. Upon discovery of the employee theft, CFCF contacted the fiscal auditor to verify the employee theft. Once verified, the suspected employee was placed on administrative leave while the internal investigation was completed. It was then determined that the suspected employee made unauthorized purchases using the company debit card and issued additional payroll checks to herself. It was also determined that the employee acted alone. The employee was then terminated. The CFO conducted a full revision of the internal controls. These controls were then reviewed by the Executive Team and approved by the Board of Directors. CFCF also filed a theft report with the Legislative Auditor and contacted all federal and state funding sources. CFCF also filed a police report with the city of Monroe. Based on the recommendation of the auditor, a training will be conducted to staff on ethics and the whistleblowing policy. *(Amount: \$170,000) (p.26)*

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