

ACT 461 REPORT ON FISCAL DEFICIENCIES, INEFFICIENCIES, FRAUD, OR OTHER SIGNIFICANT ISSUES DISCLOSED IN GOVERNMENTAL AUDITS SECOND QUARTER, FISCAL YEAR 2024

**Report to the Joint Legislative
Committee on the Budget
Issued February 7, 2024**

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

FIRST ASSISTANT LEGISLATIVE AUDITOR
BETH Q. DAVIS, CPA

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report is available for public inspection at the Baton Rouge office of the Louisiana Legislative Auditor.

This document is produced by the Louisiana Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's website at www.la.la.gov.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Jenifer Schaye, General Counsel, at 225-339-3800.

February 7, 2024

Chairman Glen Womack and Members of the
Joint Legislative Committee on the Budget

Dear Chairman Womack and Members of the Joint Legislative Committee on the Budget:

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 of certain audits which have findings with a dollar impact of \$150,000 or more relative to 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, and repeat findings.

Attached is our report to meet the requirements of Act 461 for the second quarter of Fiscal Year 2024. That report is linked and referenced to the full reports which contain the applicable findings of interest, as well as management's responses.

We are available to present the information that is of interest to your committee. We hope that this report assists you in your legislative decision-making process.

Sincerely,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MJW/ch
ACT 461 REPORTING - FEBRUARY 2024



TABLE OF CONTENTS

	Page
State Agencies.....	2
Local Government Agencies.....	3

STATE AGENCIES

Board of Directors of the Louisiana Tuition Trust Authority - Student Tuition Assistance and Revenue Trust Programs (START) ([Report Link](#))

- 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. 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. *(The largest error was \$29,935,787.) (Exhibit A.2)*

Department of Public Safety and Corrections (DPS) - Public Safety Services ([Report Link](#))

- For the second consecutive engagement, the DPS Office of State Fire Marshal did not timely certify and approve time sheets. **(Repeat)** *(Time sheets totaling approximately \$3.5 million in salaries, wages, leave, and overtime paid were not approved timely.) (p.2)*

Office of Group Benefits (OGB) ([Report Link](#))

- For the sixth consecutive year, OGB, through the Office of Finance and Support Services, submitted annual fiscal reports to the Office of Statewide Reporting and Accounting Policy with errors requiring adjustments. Multiple misstatements occurred in the custodial fund, governmental fund, and government-wide financial statements. **(Repeat)** *(Errors ranged from \$16.2 million to \$35.9 million.) (p.1)*

LOCAL GOVERNMENT AGENCIES

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