

# LEGISLATIVE AUDIT ADVISORY COUNCIL

## **Minutes of Meeting Wednesday, March 6, 2024 House Committee Room 5 State Capitol Building**

The items listed on the Agenda are incorporated and considered to be part of the minutes herein.

Chairman Luneau called the Legislative Audit Advisory Council (Council) meeting to order at 2:35 p.m. Ms. Tanya Phillips called the roll confirming that a quorum was present.

**Members Present:** Senator Jay Luneau  
Senator Beth Mizell  
Senator Jean-Paul Coussan  
Senator Jimmy Harris  
Representative Barbara Freiberg  
Representative Jason Hughes  
Representative Edmond Jordan  
Representative Rodney Schamerhorn

**Members Absent:** Senator Adam Bass  
Representative Aimee Adatto Freeman

**Also Present:** Michael J. "Mike" Waguespack  
Louisiana Legislative Auditor (LLA)

### **Approval of Minutes**

*(Video Archive Time 2:41)*

Senator Mizell offered a motion to approve the minutes of the December 14, 2023 meeting and, with no objection, the motion was approved.

### **Election of Chairman and Vice Chairman**

*(Video Archive Time 2:53)*

Chairman Senator Jay Luneau nominated Representative Rodney Schamerhorn as Chairman for a two year term. Representative Hughes offered a motion to approve the election of Representative Rodney Schamerhorn as Chairman and, with no objection, the motion was approved.

Chairman Schamerhorn nominated Senator Jay Luneau as Vice Chairman. Representative Hughes offered a motion to approve the election of Senator Jay Luneau as Vice Chairman and, with no objection, the motion was approved.

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## **EXTENSION REQUESTS (Audit Reports)**

*(Video Archive Time 4:02)*

Presented by:

Assistant Legislative Auditor and Director of Local Government Services

Diane B. Allison, CPA, CGMA, CGFO

Ms. Allison is presenting 144 extension requests from 140 different agencies. This is 47% less than what we presented last March. The vast majority are due to non-emergencies. Emergencies are gubernatorial declared, and we don't have very many of those still lingering.

» Non-Emergency Extension Requests – 90 days or Less. There are 75 requests. The vast majority are due to personnel and staffing issues at the agencies. They're all for fiscal years ending in December in 2023. We have reviewed these requests and LLA recommends the committee approve. Senator Luneau moved to grant the extensions and, with no objection, the extensions were granted.

» Non-Emergency Extension Requests – Greater Than 90 Days. We have 27 requests from 25 different agencies. One is for a fiscal year ending in 2021 and all the others are for 2022 and 2023. We are working with the one that's the fiscal year end in 2021. We have reviewed these requests and LLA recommends the committee approve. Representative Freiberg moved to grant the extensions and, with no objection, the extensions were granted.

» Emergency Extension Requests – Less than 90 Days. We have 2 requests. We have reviewed these requests and LLA recommends the committee approve. Senator Mizell moved to grant the extensions and, with no objection, the extensions were granted.

» Emergency Extension Requests – Greater than 90 Days. We have 1 request. We have reviewed this request and LLA recommends the committee approve. Senator Luneau moved to grant the extension and, with no objection, the extension was granted.

» Reports Received from Agencies that Requested Extensions. We have 39. This is the one for reports that have been received. Because they asked for extensions and we received those reports, we recommend approval of those. Senator Luneau moved to grant this motion and, with no objection, the motion was approved.

Ms. Allison reminded the committee that our Center for Local Government Excellence program is next week. It's both live stream and in person. We have over 1,200 people registered. We will have four hours on procurement. We have a session on segregation of duties in small governments.

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Representative Jordan said he has a resolution this year, which is starting a mayor's institute through the Nelson Mandela School of Public Policy at Southern University that is going to train them on issues dealing with the auditor, dealing with the PSC, dealing with LDH if it's health issues, and just having an overall 360 degree view of what that encompasses. I definitely want you guys to be intimately involved.

### **LEGISLATIVE AUDITOR BUDGET REQUEST 2024-2025**

*(Video Archive Time 18:03)*

Presented by:

Legislative Auditor Michael J. "Mike" Waguespack, CPA

Mr. Waguespack said LLA budget request is an additional \$5.2 million. We have our normal state general fund ask which has increased slightly, but it's about \$13,820. We've had two acts that rolled in as of last year that became law and Act 325, which is known as the Child Ombudsman Law and Act 446 which is the Transparency Portal. The funding for that fiscal note was between \$200,000 and \$300,000. The governor's office transferred that over to us and we hired retired Judge Kathleen Richey. However, she's going to need to add about seven staff to this office. This ask that'll cover those additional staff.

The next act is the transparency portal. The transparency portal is sort of in lieu of the existing checkbook, open checkbook that's handled by DOA now. This expands the data sets. This gets into the weed of a very open and transparent portal that'll cover not only the executive branch level, but it'll go into the legislative level as well as the judicial level.

» State of Louisiana Child Ombudsman

Presented by:

Kathleen Stewart Richey, Child Ombudsman

Ms. Richey said there is much work that needs to be done and, therefore, she needs more staff to achieve the goals that this legislation sets out. There are four state agencies that deliver services for children and their families in the state -- DCFS, OJJ, LDH and DOE.

The thought that we have is that we would be able to hire an individual who could be responsible for each of the four departments, but we also need the ability to review records in order to evaluate the services. I think it would be important to have any evaluation of the services delivered, be data-driven. So I do think that it's important before I make recommendations to the legislature and to the agencies that I have the ability to look through the records and determine these patterns and how much of a problem any given issue might be. So that's the idea is researchers or analysts to help us evaluate the level of services for the agencies

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and then an individual that will take special attention to each of the departments that provide services that we are engaged with.

Senator Luneau pointed out that LLA is dealing with an unfunded mandate. So you're not increasing your budget, you're asking for us to give you the money on what we mandated you to do.

» Transparency Portal

Presented by:

Chris Magee, CIA, CFE, CGAP, MBA, Data Analytics Manager

Brent McDougall, MBA, CIA, CFE, EnCE, Senior Data Analyst

This bill was passed last year. Basically it was presented as enhancing checkbook, but also giving it to the independent auditor's office instead of the division of administration running it. From a fiscal perspective, it's going to cost more money and more time and either take auditors away from conducting audits or require as the fiscal note says, to hire new staff and create another new section.

» Mr. Waguespack, Louisiana Legislative Auditor

LLA has self-generated audit fees, which is the allocated audit costs that we bill to the respective agencies that we audit in-house. We self-generate \$24.7 million. Our total means of financing when you add the two, when the state general fund, the means of finance will be \$43.3 million. The state general fund increase ask is \$5,245,000 which we attribute primarily to the Child Ombudsman and transparency portal.

Senator Luneau moved to approve LLA's budget and, with no objection, the motion was approved.

### **Public Comment**

No public comment.

### **Other Business**

None.

### **Adjournment**

Senator Luneau offered a motion to adjourn and, with no objection, the meeting was adjourned at 3:31 p.m.

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***Minutes Approved: Minutes Approved at the Legislative Audit Advisory Council meeting on July 18, 2024.***

The video recording of this meeting is available at:

[https://house.louisiana.gov/H\\_Video/VideoArchivePlayer?v=house/2024/mar/0306\\_24\\_LAAC](https://house.louisiana.gov/H_Video/VideoArchivePlayer?v=house/2024/mar/0306_24_LAAC)