

STATE POLICE COMMISSION
STATE OF LOUISIANA



PROCEDURAL REPORT
ISSUED JUNE 24, 2009

**LEGISLATIVE AUDITOR
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LOUISIANA LEGISLATIVE AUDITOR
STEVE J. THERIOT, CPA

May 13, 2009

STATE POLICE COMMISSION
STATE OF LOUISIANA
Baton Rouge, Louisiana

As required by Louisiana Revised Statute 24:513, we conducted certain procedures at the State Police Commission for the period from July 1, 2007, through May 13, 2009. Our procedures included (1) a review of the commission's internal controls; (2) tests of financial transactions; and (3) tests of adherence to applicable laws, regulations, policies, and procedures governing financial activities. Our procedures were more limited than would be necessary to give an opinion on internal control and on compliance with laws, regulations, policies, and procedures governing financial activities.

Specifically, we interviewed management personnel and selected commission personnel and evaluated selected documents, files, reports, systems, procedures, and policies, as we considered necessary. After analyzing the data, we developed recommendations for improvement. We then discussed our finding and recommendation with appropriate management personnel before submitting this written report.

The Annual Fiscal Report of the State Police Commission was not audited or reviewed by us, and, accordingly, we do not express an opinion on that report. The commission's accounts are an integral part of the State of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

Based on the application of the procedures referred to previously, all significant findings are included in this report for management's consideration.

Misappropriations Not Reported

The State Police Commission did not report misappropriations to the legislative auditor and/or the district attorney as required by law. Louisiana Revised Statute 24:523 states that an agency head of an auditee who has actual knowledge of any misappropriation of the public funds or assets of his agency shall immediately notify, in writing, the legislative auditor and the district attorney of the parish in which the agency is domiciled of such misappropriation.

On October 13, 2008, the Office of State Inspector General issued a report including allegations regarding the former executive director of the State Police Commission. As a result of the investigation conducted by the Office of State Inspector General and the Louisiana Attorney General's Office, the former executive director was arrested on May 12, 2008. The State Police Commission did not report, in writing, the instances of misappropriation to the legislative auditor and the East Baton Rouge Parish District Attorney as required by law.

The State Police Commission should ensure that any misappropriations of public funds or assets are immediately reported, in writing, to the legislative auditor and the district attorney. Management concurred with the finding and provided a corrective action plan (see Appendix A).

The recommendation in this report represents, in our judgment, that most likely to bring about beneficial improvements to the operations of the commission. The nature of the recommendation, its implementation cost, and its potential impact on the operations of the commission should be considered in reaching decisions on courses of action. Compliance issues should be addressed immediately by management.

On October 13, 2008, the Office of State Inspector General issued a report addressing concerns about the former executive director of the State Police Commission. The report includes allegations regarding the executive director and also addresses the oversight of the executive director and the State Police Commission office.

This report is intended solely for the information and use of the commission, its management, others within the entity, and the Louisiana Legislature and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Steve J. Theriot, CPA
Legislative Auditor

QGS:WDD:EFS:PEP:dl

SPC09

Management's Corrective Action
Plan and Response to the
Finding and Recommendation



Cathy J. Derbonne
Director

State Police Commission

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Jodi R. Patterson
Deputy Director

June 9, 2009

Mr. Steve J. Theriot, CPA
Legislative Auditor
State of Louisiana
1600 North Third Street
Baton Rouge, LA 70802

Dear Mr. Theriot:

We are writing in response to notify your office regarding the Louisiana Revised Statute 24:523 that we concur with the individual finding and recommendation of the legislative audit conducted at State Police Commission Office. A corrective action plan includes developing policy and procedures to ensure that any misappropriations of public funds or assets are immediately reported in writing to the Legislative Auditor and the District Attorney.

We would like to commend the staff for making the process informative and supportive.

Please let us know if additional information is needed.

Sincerely,

Cathy Derbonne
Executive Director
Louisiana State Police Commission

Mark Oxley
Chairman
Louisiana State Police Commission