

LOUISIANA DEPARTMENT OF AGRICULTURE AND FORESTRY
STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES
MANAGEMENT LETTER
ISSUED NOVEMBER 12, 2014

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

November 12, 2014

The Honorable John A. Alario, Jr.,
President of the Senate
The Honorable Charles E. "Chuck" Kleckley,
Speaker of the House of Representatives
The Honorable Mike Strain, DVM, Commissioner
Louisiana Department of Agriculture and Forestry

Dear Senator Alario, Representative Kleckley, and Commissioner Strain:

This report includes the results of the procedures we performed at the Louisiana Department of Agriculture and Forestry for the period from July 1, 2013 through June 30, 2014 to evaluate its compliance with the requirements of the federal Food Distribution Cluster programs and its accountability over public funds related to the programs. The procedures are a part of our Single Audit of the State of Louisiana for the year ended June 30, 2014. I hope the information in this report will assist you in your legislative and operational decision-making processes.

We would like to express our appreciation to the management and staff of the department for their assistance during our work.

Sincerely,

Daryl G. Purpera, CPA, CFE
Legislative Auditor

CGEW:EFS:THC:aa

LDAF 2014

Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



Louisiana Department of Agriculture and Forestry

November 2014

Audit Control # 80140139

Introduction

As a part of our Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2014, we performed procedures at the Louisiana Department of Agriculture and Forestry (LDAF) to evaluate the effectiveness of LDAF's internal controls over reporting and compliance with the requirements of the Food Distribution Cluster programs [Emergency Food Assistance Programs [TEFAP - CFDA 10.568 (Administrative Costs) and CFDA 10.569 (Food Commodities)]. In addition, we determined whether management has taken action to correct the finding reported in the prior year.

LDAF is a component unit of the state of Louisiana created in accordance with Article IV, Section 10 of the 1974 Constitution of Louisiana. LDAF's mission is to promote, protect, and advance agriculture and forestry and soil and water resources.

Results of Our Procedures

Follow-Up on Prior-Year Finding

Our auditors reviewed the status of the prior-year finding on subrecipient monitoring reported in a management letter dated December 16, 2013. We determined that management has resolved the prior-year finding.

Federal Compliance - Single Audit of the State of Louisiana

As a part of the Single Audit for the year ended June 30, 2014, we performed internal control and compliance testing on LDAF's Food Distribution Cluster programs [Emergency Food Assistance Program (Administrative Costs) and Emergency Food Assistance Program (Food Commodities)], as required by Office of Management and Budget (OMB) Circular A-133. Those tests included evaluating the effectiveness of LDAF's internal controls designed to prevent or detect material noncompliance with program requirements and tests to determine whether LDAF complied with applicable program requirements.

In addition, we performed procedures on LDAF's Summary Schedule of Prior Federal Audit Findings (Schedule 8-3), as required by OMB Circular A-133. These procedures included evaluating the information presented for the finding included in Schedule 8-3.

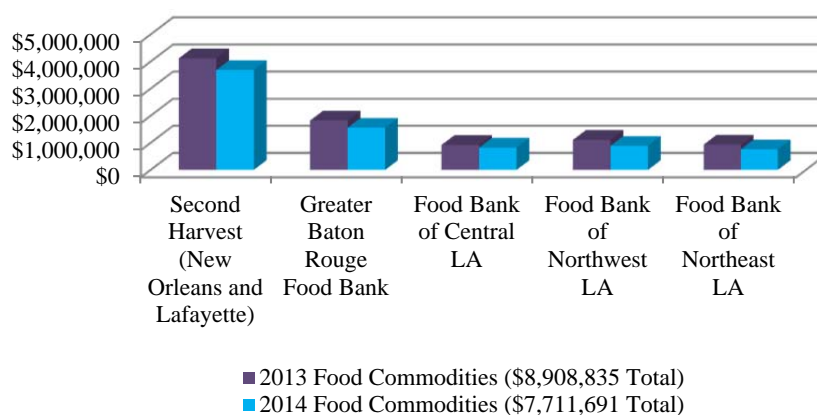
Based on the results of these Single Audit procedures, we did not report any internal control deficiencies or non-compliance with program requirements.

Trend Analysis

We compared the most current- and prior-year financial activity using LDAF's system-generated reports and federal award information and obtained explanations from LDAF management for any significant variances. We also prepared an analysis of the dollar value of commodities awarded and administrative cost payments for two fiscal years to each of the five food banks who are LDAF subrecipients participating in TEFAP.

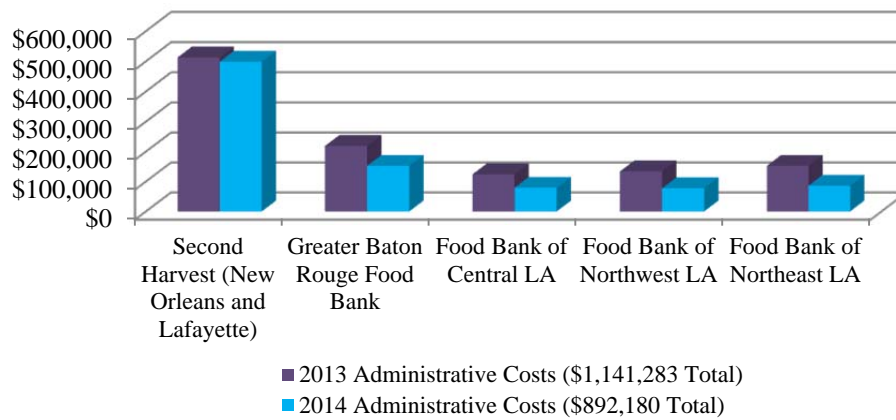
As shown in Exhibit 1 and Exhibit 2, commodities and administrative costs decreased \$1,197,144 (13.4%) and \$249,103 (21.8%), respectively, from fiscal year 2013 to 2014. The dollar value of commodities distributed to each state is determined annually by the United States Department of Agriculture (USDA). The five food banks have created the Food Bank Association, which determines the allocation of the commodities among the food banks based on numerous factors, including population demographics. The association provides the allocation percentages to LDAF for distribution purposes. In addition, administrative costs are determined by USDA based on the dollar value of the food commodities awarded on a federal fiscal year basis (LDAF does not retain any administrative costs to manage the program).

Exhibit 1
Subrecipient Food Commodity Costs
Fiscal Years 2013 and 2014



Source: LDAF Financial Information

Exhibit 2
Subrecipient Administrative Costs
Fiscal Years 2013 and 2014



Source: LDAF Financial Information

Under Louisiana Revised Statute 24:513, this letter is a public document and it has been distributed to appropriate public officials.

APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the Louisiana Department of Agriculture and Forestry (LDAF) for the period from July 1, 2013 through June 30, 2014 to provide assurances on information significant to the Food Distribution Cluster of federal programs and to evaluate relevant systems of internal control in accordance with *Government Auditing Standards*. The procedures included inquiry, observation, and review of policies and procedures, and a review of relevant laws and regulations. Our procedures, summarized below, are a part of the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2014.

- We performed planned procedures on the federal Food Distribution Cluster programs [Emergency Food Assistance Program (Administrative Costs) and Emergency Food Assistance Program (Food Commodities), CFDA 10.568 and 10.569, respectively] for the year ended June 30, 2014, to support the 2014 Single Audit.
- We compared the most current- and prior-year financial activity using LDAF's system-generated reports and federal award information and obtained explanations from LDAF management for any significant variances.

The purpose of this report is solely to describe the scope of our work at LDAF and not to provide an opinion on the effectiveness of LDAF's internal control over compliance. Accordingly, this report is not intended to be, and should not be, used for any other purposes.

We did not audit or review LDAF's Annual Fiscal Report and, accordingly, we do not express an opinion on that report. LDAF's accounts are an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.