

GOVERNOR'S OFFICE OF HOMELAND SECURITY  
AND EMERGENCY PREPAREDNESS  
HAZARD MITIGATION GRANT PROGRAM  
APRIL 2009 - JUNE 2009



AGREED-UPON PROCEDURES REPORT  
ISSUED NOVEMBER 12, 2009

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STEVE J. THERIOT, CPA

**DIRECTOR OF RECOVERY ASSISTANCE**  
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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 has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

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LOUISIANA LEGISLATIVE AUDITOR  
STEVE J. THERIOT, CPA

October 14, 2009

Independent Accountant's Report on the  
Application of Agreed-Upon Procedures

**MARK A. COOPER, DIRECTOR**  
**GOVERNOR'S OFFICE OF HOMELAND**  
**SECURITY AND EMERGENCY PREPAREDNESS**  
Baton Rouge, Louisiana

We have performed the procedures enumerated below under the agreed-upon procedures engagement for the Hazard Mitigation Grant, Pre-Disaster Mitigation, Flood Mitigation Assistance, Severe Repetitive Loss, and Repetitive Flood Claims Programs (collectively hazard mitigation programs) for the second quarter of 2009 (April 1 through June 30), which were requested and agreed to by GOHSEP management, solely to assist you in reviewing documents submitted by sub-grantees in support of reimbursement claims. GOHSEP management is responsible for the day-to-day operations of the hazard mitigation programs. This agreed-upon procedures engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and the applicable attestation standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The sufficiency of these procedures is solely the responsibility of management of GOHSEP. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

We reviewed 207 reimbursement claims totaling \$22,705,741 and supporting documentation as prepared by the GOHSEP disaster recovery specialists and finance officers. The procedures we performed and our findings are as follows:

Procedure

Confirm that the sub-grantee submitted an SF 270 (Request for Advance or Reimbursement).

Finding

No exceptions noted.

Procedure

Review mathematical calculations performed by GOHSEP personnel.

Finding

No exceptions noted.

Procedure

Confirm that the calculations are in accordance with funding parameters.

Finding

No exceptions noted.

Procedure

Confirm that the invoices, billings, photographs of work, et cetera, provided by the sub-grantee support the request for reimbursement.

Finding

In 27 reviews, we were unable to verify that invoices, billings, photographs of work, et cetera, supported the reimbursement requests as follows:

- We noted that \$40,427 of documentation for a second reimbursement request submitted by one sub-grantee appeared to be the same documentation that was submitted with the first reimbursement request. We also noted that the first request was paid to the sub-grantee. This issue has not been resolved.
- We noted that requests for \$403,780 included in nine reimbursement requests lacked competitive procurement documentation or a cost analysis to support cost reasonableness. Subsequent to our review, GOHSEP personnel obtained sufficient documentation to support \$238,065 of the \$403,780 leaving an unsupported balance of \$165,715.
- We noted that requests for \$378,188 included in 17 reimbursement requests were not fully supported. Subsequent to our review, GOHSEP personnel obtained sufficient documentation to support \$116,766 of the \$378,188 leaving an unsupported balance of \$261,422.

Procedure

Confirm that previous payments are listed in block 11-h on the SF 270.

Finding

No exceptions noted.

Procedure

Confirm the original signature of an authorized person on the SF 270.

Finding

No exceptions noted.

Procedure

Confirm that the quarterly reporting is up-to-date.

Finding

We noted that the quarterly report was not up-to-date for one reimbursement claim. Subsequent to our verification, GOHSEP personnel obtained the current quarterly report and resubmitted the reimbursement claim. We did not note any deficiencies in our secondary review.

Procedure

Confirm that the documented expenses and project progression correspond with the performance period.

Finding

No exceptions noted.

Procedure

Confirm that the work reflected by the documentation is within the scope approved for the grant.

Finding

A sub-grantee's file did not contain documentation supporting approval of its amended budget. Therefore, we could not confirm that the work reflected by the documentation was within the scope of work approved for the grant. Subsequently, GOHSEP personnel obtained documentation confirming the approved budget and resubmitted the reimbursement claim. We did not note any deficiencies during our secondary review.

Procedure

Confirm that at least one site inspection has been conducted for each project that is more than 50% complete.

Finding

No exceptions noted.

Procedure

Confirm that an end of performance period letter has been prepared and processed for projects ending in less than 90 days.

Finding

No exceptions noted.

Procedure

Confirm that a final site inspection has been conducted for each project that is 100% complete.

Finding

No exceptions noted.

Procedure

Confirm that the finance officer entered the current payment on the federal and state declining balance Excel spreadsheet.

Finding

No exceptions noted.

Procedure

Confirm that the finance officer entered the current payment on the mitigation payments Excel spreadsheet.

Finding

No exceptions noted.

Procedure

Confirm that the finance officer prepared a reimbursement statement for the sub-grantee.

Finding

No exceptions noted.

Procedure

Confirm that the finance officer prepared a transmittal for payment for the sub-grantee.

Finding

No exceptions noted.

Procedure

Confirm that the finance officer saved the reimbursement and transmittal documents in the sub-grantee's electronic folder.

Finding

No exceptions noted.

Procedure

Confirm that the finance officer placed a hard copy of the reimbursement and transmittal documents in the sub-grantee's file.

Finding

No exceptions noted.

We were not engaged to and did not conduct an examination, the objective of which would be to express an opinion on GOHSEP's compliance with federal and state regulations, GOHSEP's internal control over compliance with federal and state regulations, or GOHSEP's financial statements. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters may have come to our attention that would have been reported to you.

This report is intended solely for the information and use of GOHSEP management. However, by provisions of state law, this report is a public document and has been distributed to the appropriate public officials.

Respectfully submitted,



Steve J. Theriot, CPA  
Legislative Auditor

JLS:JM:dl

GOHSEPHMGP409-609

## Management's Response





BOBBY JINDAL  
GOVERNOR

State of Louisiana  
Governor's Office of Homeland Security  
and  
Emergency Preparedness

MARK A. COOPER  
DIRECTOR

October 28, 2009

Steve J. Theriot, CPA  
Legislative Auditor  
State of Louisiana  
1600 North Third Street  
Baton Rouge, Louisiana 70804-9397

RE: Draft Hazard Mitigation Grant Program Quarterly Report, Second Quarter 2009

Dear Mr. Theriot:

We have received the draft report compiled by the Legislative Auditor's Recovery Assistance Division reviewing the State's Hazard Mitigation Grant (HM) program for the second quarter of 2009 (April 1, 2009 through June 30, 2009).

The report reviewed eighteen procedures for the HM program and identified findings in five of those procedures. Those findings primarily identified a pattern of failing to follow established documentary procedures. In at least two of the reimbursement request reviews, that failure would have resulted in an inappropriate reimbursement. As a result, we are reviewing our document review procedures to identify changes that will further enhance the reimbursement request review process.

We greatly appreciate the continued support of the Louisiana Legislative Auditors Office and look forward to a continued constructive working relationship as we work through this highly complex grant program.

Sincerely,

Mark DeBosier  
Deputy Director  
Disaster Recovery

MD:sh

Cc: Mark A. Cooper, Director