



# Report Highlights

## Executive Department

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### Why We Conducted This Audit

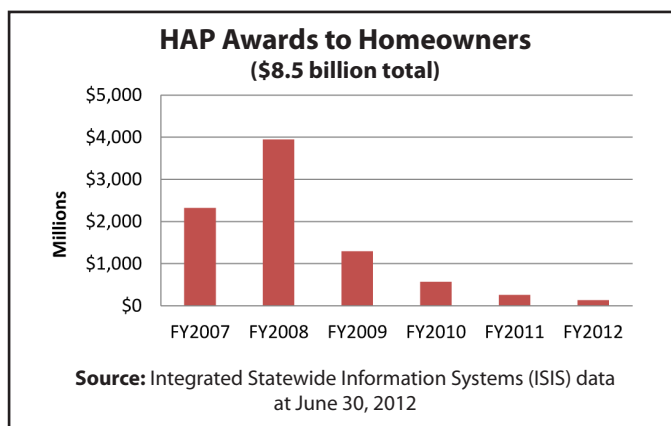
We conducted certain procedures at the Executive Department as part of the Single Audit of the State of Louisiana and to evaluate the department's accountability over public funds for the fiscal year ended June 30, 2012.

### What We Found

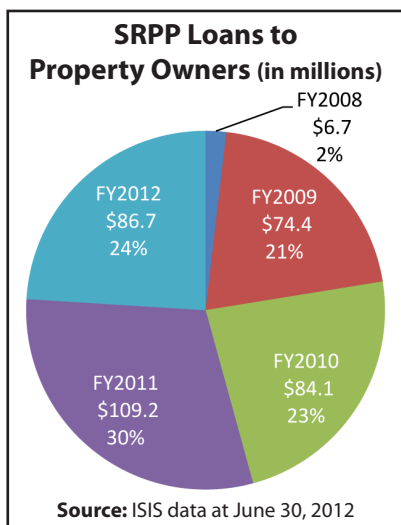
Our review of 45 homeowners participating in the Homeowner Assistance Program (HAP) under the Community Development Block Grants (CDBG) Program disclosed that 21 (47%) of these homeowners with awards totaling \$1.3 million had not provided adequate evidence of compliance with one or more award covenants to the Office of Community Development (OCD); however, OCD has not initiated grant recovery from any of these homeowners. Failure to recover benefits from noncompliant homeowners could result in disallowed costs that the state could be liable to repay to the federal government.

In addition, OCD identified ineligible HAP awards for 1,142 homeowners totaling \$58 million. The state could be liable for ineligible awards if disallowed by the federal grantor.

The CDBG HAP is the largest single housing recovery program in U.S. history and assists families affected by hurricanes Katrina and Rita get back into their homes.

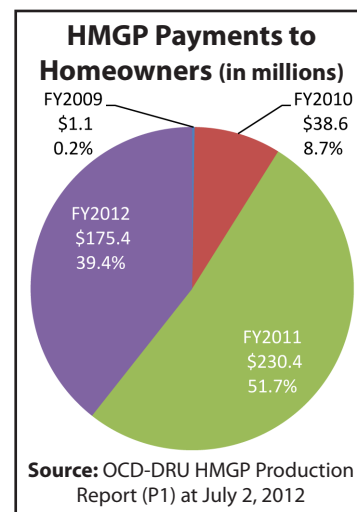


OCD identified ineligible property owners with Small Rental Property Program (SRPP) loans totaling \$33 million and were assigned to loan recovery status. Our review of 24 property owners with SRPP loans in non-recovery status disclosed that six (25%) with loans totaling \$567,044 were also ineligible. The state could be liable for these amounts if disallowed by the federal grantor.



OCD identified 801 applicant awards in the Hazard Mitigation Grant Program (HMGP) totaling \$22.8 million for potential grant recovery. However, the review to confirm that recovery status is appropriate and to determine the amount of the award to recover had not been performed timely. The state could be liable for any awards determined to be ineligible if disallowed by the federal grantor.

In addition, our review of 90 HMGP final applicant payments totaling \$2.4 million by OCD disclosed 11 containing unsupported project costs totaling \$27,721. As a result, contractors may have been compensated for construction activities not performed and the state could be liable for these amounts if disallowed by the federal grantor.



The CDBG SRPP provides funding to property owners to repair their storm-damaged, small-scale rental properties and make their units available to low- and moderate-income tenants at affordable rates.

The HMGP helps homeowners in coastal Louisiana protect their homes from damage in future natural disasters by elevating their homes, reconstructing safer structures, or installing individual mitigation measures.