

LOUISIANA DEPARTMENT OF
WILDLIFE AND FISHERIES
GUSTAV/IKE 2009 FISHERIES ASSISTANCE PROGRAM
JULY 1, 2009 - SEPTEMBER 30, 2010



AGREED-UPON PROCEDURES REPORT
ISSUED APRIL 20, 2011

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We performed agreed-upon procedures to assist the Louisiana Department of Wildlife and Fisheries (LDWF) in evaluating the completeness and eligibility of expense documentation submitted by Louisiana resident commercial fishermen and wholesale/retail seafood dealers (vendors) for payment under the Gustav/Ike 2009 Fisheries Assistance Program during the period July 1, 2009, through September 30, 2010. We reviewed documentation for expenses totaling \$14,059,086 and noted exceptions totaling \$320,340. During the application of our procedures, LDWF obtained additional information from the vendors to resolve \$288,162 of the exceptions and withheld payments to resolve an additional \$14,811 of the exceptions. The remaining unresolved exceptions total \$17,367.



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

February 28, 2011

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

**ROBERT BARHAM, SECRETARY
LOUISIANA DEPARTMENT OF
WILDLIFE AND FISHERIES**

Baton Rouge, Louisiana

We performed the procedures enumerated below, which were agreed to by the Louisiana Department of Wildlife and Fisheries (LDWF) management, solely to assist LDWF management in evaluating the completeness and eligibility of expense documentation submitted to LDWF by Louisiana resident commercial fishermen and wholesale/retail seafood dealers (vendors) for payment under the Gustav/Ike 2009 Fisheries Assistance Program during the period July 1, 2009, through September 30, 2010. LDWF management is responsible for the day-to-day operations of the Gustav/Ike 2009 Fisheries Assistance Program.

This agreed-upon procedures engagement was conducted in accordance with the applicable 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 of America. The sufficiency of these procedures is solely the responsibility of LDWF management. 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.

Background

LDWF developed the Gustav/Ike 2009 Fisheries Assistance Program to assist the commercial fishing industry with recovery from the effects of hurricanes Gustav and Ike. LDWF funded the program with a \$40 million grant provided by the U.S. Congress under sections 308(b) and 308(d) of the Interjurisdictional Fisheries Act (16 USC 4107). The program provided reimbursement to qualified Louisiana resident commercial fishermen and wholesale/retail seafood dealers who provided acceptable receipts/invoices for items LDWF declared eligible through program guidelines.

LDWF determined which vendors qualified for the program and the amount each was eligible to receive. LDWF made an initial payment of 50% of each vendor's eligible reimbursement amount upon submission of all complete and applicable forms. LDWF paid the remaining 50% upon submission of acceptable receipts/invoices documenting the use of the entire initial payment on eligible items. LDWF paid the vendors a total of \$29,032,702, including initial payments of \$14,990,761 and subsequent payments of \$14,041,941.

LDWF contracted with the South Central Planning and Development Commission (SCPDC) to enter the expense documentation submitted by vendors into LDWF's database and to review the documentation for completeness and eligibility.

Our procedures and results are as follows:

PROCEDURE: We reviewed 100% of the expense documentation provided by vendors to verify that the documentation complied with applicable LDWF policies and procedures.

RESULT: As a result of our procedures, we verified that the documentation for \$165,162 did not comply with LDWF policy. After our initial review, some vendors provided additional documentation to resolve \$139,552 of the exceptions. Also, LDWF determined that four vendors did not submit acceptable receipts/invoices documenting the use of the entire initial payment on eligible items. LDWF did not pay these four vendors subsequent payments totaling \$9,327. The remaining unresolved exceptions totaled \$16,283.

In addition, we noted that the documentation for \$1,929 provided by four vendors complied with LDWF policy but had already been submitted by other vendors. After our initial review, one vendor provided additional documentation to resolve \$1,303 of the exceptions. The remaining unresolved exceptions totaled \$626.

PROCEDURE: We reviewed 100% of the expense documentation provided by vendors to verify that the receipts and/or invoices were dated between July 1, 2009, and September 30, 2010.

RESULT: As a result of our procedures, we verified that the documentation for \$15,970 was dated outside the eligible time period. After our initial review, some vendors provided additional documentation to resolve \$10,815 of the exceptions. Also, LDWF determined that one vendor did not submit acceptable receipts/invoices documenting the use of the entire initial payment on eligible items. LDWF did not pay this vendor a subsequent payment of \$5,155. All exceptions were resolved.

PROCEDURE: We reviewed 100% of the expense documentation provided by vendors to verify that the expenses were eligible for reimbursement according to applicable LDWF policies and procedures.

RESULT: As a result of our procedures, we verified that \$137,279 was spent on items that were not eligible for reimbursement under the Gustav/Ike 2009 Fisheries Assistance Program. Included in the exception amount was \$52,078 for items that were not specifically mentioned in the LDWF program guidelines. Since they were not mentioned in the guidelines, LDWF considered each item on an individual basis and determined them eligible for reimbursement. After our initial review, some vendors provided additional documentation to resolve an additional \$84,414 of the exceptions. Also, LDWF determined that one vendor did not submit acceptable receipts/invoices documenting the use of the entire initial payment on eligible items. LDWF did not pay this vendor a subsequent payment of \$329. The remaining unresolved exceptions totaled \$458.

PROCEDURE: We verified that the data entered into the database by SCPDC was accurate.

RESULT: As a result of our procedures, we noted 265 data entry errors and 197 illegible or missing expense documents. After our initial review, SCPDC corrected the errors, provided legible documentation, and located the missing expense documents.

We were not engaged to and did not conduct an audit, the objective of which would be to express an opinion, on LDWF's compliance with federal and state regulations, LDWF's internal control over compliance with federal and state regulations, or on LDWF'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 LDWF management and the Louisiana Legislature and is not intended to be and should not be used by anyone other than those parties. By provision of state law, this report is a public document and has been distributed to the appropriate public officials.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

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LDWF 2011

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Management's Response



BOBBY JINDAL
GOVERNOR

State of Louisiana
DEPARTMENT OF WILDLIFE AND FISHERIES
OFFICE OF SECRETARY

ROBERT J. BARHAM
SECRETARY

February 28, 2011

Mr. Daryl G. Purpera, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Purpera:

We have received the draft report of your Recovery Assistance Services procedures report for the Gustav/Ike 2009 Fisheries Assistance Program. After reviewing the draft report, we concur with and accept all of the noted exceptions.

We would like to commend your staff for the professionalism and cooperation they exhibited during this engagement.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert J. Barham".

Robert J. Barham
Secretary