

GOVERNOR'S OFFICE OF HOMELAND SECURITY AND EMERGENCY PREPAREDNESS

STATE OF LOUISIANA

FINANCIAL AUDIT SERVICES

Management Letter
Issued March 12, 2025

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
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MICHAEL J. "MIKE" WAGUESPACK, CPA

FIRST ASSISTANT LEGISLATIVE AUDITOR
BETH Q. DAVIS, CPA

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Louisiana Legislative Auditor

Michael J. "Mike" Waguespack, CPA

**Governor's Office of Homeland Security
and Emergency Preparedness**



March 2025

Audit Control # 80240040

Introduction

As a part of our audit of the State of Louisiana's Annual Comprehensive Financial Report and our work related to the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2024, we performed procedures at the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) to provide assurances on financial information that is significant to the state's Annual Comprehensive Financial Report; evaluate the effectiveness of GOHSEP's internal controls over financial reporting and compliance; and determine whether GOHSEP complied with applicable laws and regulations.

We also determined whether management has taken actions to correct the finding reported in the prior year.

Results of Our Procedures

Follow-up on Prior-year Finding

Our auditors reviewed the status of the prior-year finding reported in the GOHSEP management letter dated March 13, 2024. The prior-year finding related to Noncompliance with Reporting Requirements for the Federal Funding Accountability and Transparency Act has not been resolved and is addressed again in this letter.

Current-year Finding

Noncompliance with Reporting Requirements for the Federal Funding Accountability and Transparency Act

GOHSEP did not fully comply with Federal Funding Accountability and Transparency Act (FFATA) reporting requirements for the Hazard Mitigation Grant (HM) and Flood Mitigation Assistance (FMA) programs. This is the second consecutive year in which the FMA program was not compliant with FFATA reporting requirements.

Our procedures disclosed the following:

- Of the 11 HM subawards tested totaling \$15,127,069 made between July 1, 2023, and June 30, 2024, 4 subawards (36.4%) totaling \$3,898,561 were submitted from 54 days to 117 days after the due date specified by federal regulations.
- Of the 15 FMA subawards tested totaling \$31,209,266 made between February 29, 2024, and June 30, 2024, 12 subawards (80%) totaling \$21,245,124 were submitted from 115 days to 176 days after the due date specified by federal regulations.

Federal regulations require the non-federal entity to report certain information about each obligating action that equals or exceeds \$30,000 in federal funds for a subaward to a non-federal entity into the FFATA Subaward Reporting System (FSRS) no later than the end of the month following the month in which the obligation was made.

GOHSEP does not have adequate internal controls to ensure compliance with FFATA reporting requirements. Noncompliance with FFATA reporting requirements prevents the public from having access to accurate and timely information regarding the administration of federal awards.

GOHSEP should strengthen internal controls to ensure that appropriate personnel are timely entering the required award information for FFATA reporting in accordance with federal requirements. Management partially concurred with the finding and provided a corrective action plan (see Appendix A). Management contends that the HM projects selected for the fiscal year 2024 audit were the same HM projects selected in the fiscal year 2023 audit, and that the HM entries cited in this finding pre-date the agency's corrective action. Management also stated that two of the FMA projects selected for the fiscal year 2024 audit were selected in the fiscal year 2023 audit, and the remaining 10 projects in question were entered in calendar year 2024 as a part of the agency's corrective action plan.

Additional Comments: Submission of data into FSRS is required each time there is an additional obligation or amendment to a qualified project. Therefore, it is possible that a project was reviewed more than once if the project had multiple amendments during the audit period.

The HM program at GOHSEP was not audited for fiscal year 2023, and as such, there was no duplication in items reviewed in the current audit. In addition, because HM is a major federal program for fiscal year 2024, federal guidance requires the auditor to review the agency's compliance with federal requirements throughout the entirety of the year.

The FMA obligations and/or amendments included in this finding occurred after February 2024, the date of management's response to the prior-year finding. Therefore, the current-year finding does not include any FMA obligations or

amendments that were previously reported. Also, the current-year FMA obligations and amendments reviewed, although they may have been a part of management's corrective action plan, were still submitted outside the required timeframe for reporting.

Annual Comprehensive Financial Report – State of Louisiana

As a part of our audit of the Annual Comprehensive Financial Report for the year ended June 30, 2024, we considered internal control over financial reporting and examined evidence supporting GOHSEP's federal revenues, non-payroll expenditures, receivables, payables, unearned revenues, and advances.

Based on the results of these procedures, we did not report any findings. In addition, the account balances and classes of transactions tested, as adjusted, are materially correct.

Federal Compliance - Single Audit of the State of Louisiana

As a part of the Single Audit for the year ended June 30, 2024, we performed internal control and compliance testing as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) on GOHSEP's major federal programs, as follows:

- Emergency Rental Assistance Program (Assistance Listing 21.023)
- Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing 21.027)
- Disaster Grants - Public Assistance (Presidentially-Declared Disasters) (Assistance Listing 97.036)
- Hazard Mitigation Grant (Assistance Listing 97.039)

Those tests included evaluating the effectiveness of GOHSEP's internal controls designed to prevent or detect material noncompliance with program requirements and tests to determine whether GOHSEP complied with applicable program requirements. In addition, we performed certain procedures on information submitted by GOHSEP to the Division of Administration's Office of Statewide Reporting and Accounting Policy for the preparation of the state's Schedule of Expenditures of Federal Awards (SEFA) and on the status of the prior-year finding for the preparation of the state's Summary Schedule of Prior Audit Findings, as required by Uniform Guidance.

Based on the results of these Single Audit procedures, we reported a finding related to Noncompliance with Reporting Requirements for the Federal Funding Accountability and Transparency Act. This finding will also be included in the Single Audit for the year ended June 30, 2024. In addition, GOHSEP's information submitted for the preparation of the state's SEFA and the state's Summary of Prior Audit Findings, as adjusted, is materially correct.

Trend Analysis

We compared the most current and prior-year financial activity using GOHSEP's Annual Fiscal Reports and/or system-generated reports and obtained explanations from GOHSEP's management for any significant variances.

The recommendation in this letter represents, in our judgment, that which will most likely bring about beneficial improvements to the operations of GOHSEP. The nature of the recommendation, its implementation costs, and its potential impact on the operations of GOHSEP should be considered in reaching decisions on courses of action. The finding related to GOHSEP's compliance with applicable laws and regulations should be addressed immediately by management.

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

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

CB:NM:RR:BQD:ch

GOHSEP2024

APPENDIX A: MANAGEMENT'S RESPONSE

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

JEFF LANDRY
GOVERNOR



JACQUES THIBODEAUX
DIRECTOR

February 17, 2025

Mr. Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor
1600 North 3rd Street
P.O. Box 94397
Baton Rouge, LA 70804

RE: FY24 Single Audit Report of Louisiana, and FY23 Follow-up
GOHSEP's Management Response to Finding Related to FFATA

Dear Mr. Waguespack:

The Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) hereby provides our official response to the fiscal year 2024 single audit finding and follow up to the FY23 finding. As requested, please see the details of our response below:

- This response is provided for the finding, "Noncompliance with Reporting Requirements for the Federal Funding Accountability and Transparency Act (FFATA)."
- GOHSEP concurs in part with the individual finding and recommendation:
 - This Louisiana Legislative Auditor (LLA) FY24 audit covered a sample of Flood Mitigation Assistance (FMA) and Hazard Mitigation Grant Program (HMGP) projects.
 - The finding provided that GOHSEP entered four (4) HMGP and twelve (12) FMA subawards into FSRS greater than 30 days after the FEMA award was made.
 - The FY24 HMGP projects that were selected for audit were the same projects that were selected by LLA for the FY23 audit follow up.
 - This essentially creates a duplicative finding on these projects
 - Additionally, those HMGP FSRS entries were entered on January 23, 2024, which pre-dated the FY23 finding and our corrective actions being implemented during calendar year 2024. Please reference our FY23 Single Audit Report Response for those details. Since these projects were already entered by the time of last year's finding, there is nothing further that can be done to correct these project entries.

- Of the FY24 FMA projects that were selected for audit, two of them were also selected by LLA for the FY23 audit follow-up, creating a duplicative finding.
- The remaining 10 FMA projects in question were all entered in calendar year 2024 as part of our FY23 corrective action plan.
- GOHSEP concedes that the questioned FSRS entries were not made in accordance with the portion of 2 CFR Part 170, Appendix A(l)(a), which requires the entries to be made by the end of the month following the month in which the obligation was made.
 - As discussed with LLA staff, GOHSEP encountered issues with staff having limited access to all necessary grants in FSRS.
 - Also as previously discussed, GOHSEP Hazard Mitigation Assistance (HMA) was unable to use the FFATA reporting feature in GOHSEP Grants (system of record) to import the data into FSRS.
- GOHSEP concurs in part with LLA's recommendation that GOHSEP should strengthen internal controls to ensure that appropriate personnel have the necessary access to FSRS and are timely entering the required award information for FFATA reporting in accordance with federal requirements.
 - Our Corrective Action Plan from FY23 is being implemented; however, there are still issues beyond our control in the FSRS system, as far as permissions for more than one staff, as well as the report from GOHSEP Grants working as it should.
 - We recognize there were still some entries made greater than 30 days after award, and we are working to correct the parts of the process that aren't working as efficiently as it should.
 - FSRS is being retired this Spring, and the process for the new system entry will require an entirely new implementation plan.
- Corrective Action Plan:
 - Persons responsible for corrective action:
 - Sandra D. Gaspard (Assistant Director, HMA)
 - Jeffrey Giering (Executive Officer, HMA)
 - Corrective Action Planned:
 - GOHSEP HMA will ensure that the FEMA reports that are necessary for FSRS entry are being received by the correct staff in a timely manner, and ensure the data is checked and entered more than once monthly.
 - GOHSEP HMA will continue working with GOHSEP IT and with the GOHSEP Grants vendor to ensure that the FFATA reporting function in the system becomes functional and continues working correctly. This will enable HMA staff to more accurately and efficiently enter the required obligation information into FSRS, versus a manual process.
 - Anticipated Completion Date:
 - 90-Days

Mr. Waguespack
February 17, 2025

We appreciate your assistance with this matter. If you need additional information, please contact Sandra D. Gaspard, Assistant Director, HMA at 985-969-0410 or via email at Sandra.Dugas@la.gov.

Sincerely,

Sandra D. Gaspard

Digitally signed by Sandra D. Gaspard
DN: cn=Sandra D. Gaspard, o=GOHSEP, ou=Hazard
Mitigation, email=Sandra.Dugas@la.gov, c=US
Date: 2025.02.18 10:36:44 -06'00'

Sandra D. Gaspard
Assistant Director
Hazard Mitigation & Preparedness Grants Division

APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at the Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP) for the period from July 1, 2023, through June 30, 2024, to provide assurances on financial information significant to the State of Louisiana’s Annual Comprehensive Financial Report, and to evaluate relevant systems of internal control in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures, summarized below, are a part of the audit of the Annual Comprehensive Financial Report and our work related to the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2024.

- We evaluated GOHSEP’s operations and system of internal controls through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to GOHSEP.
- Based on the documentation of GOHSEP’s controls and our understanding of related laws and regulations, we performed procedures to provide assurances on certain account balances and classes of transactions to support our opinions on the Annual Comprehensive Financial Report.
- We performed procedures on the Emergency Rental Assistance Program (Assistance Listing 21.023), Coronavirus State and Local Fiscal Recovery Funds (Assistance Listing 21.027), Disaster Grants - Public Assistance (Presidentially-Declared Disasters) (Assistance Listing 97.036), and Hazard Mitigation Grant (Assistance Listing 97.039) for the year ended June 30, 2024, as a part of the 2024 Single Audit.
- We performed certain procedures on information for the preparation of the state’s Schedule of Expenditures of Federal Awards and on the status of prior-year findings for the preparation of the state’s Summary Schedule of Prior Audit Findings for the year ended June 30, 2024, as a part of the 2024 Single Audit.
- We compared the most current and prior-year financial activity using GOHSEP’s Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from GOHSEP’s management for significant variances.

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

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