

ACT 461 REPORT ON FISCAL
DEFICIENCIES, INEFFICIENCIES,
FRAUD, OR OTHER SIGNIFICANT ISSUES
DISCLOSED IN GOVERNMENTAL AUDITS

THIRD QUARTER, FISCAL YEAR 2017



REPORT TO THE JOINT LEGISLATIVE
COMMITTEE ON THE BUDGET
ISSUED APRIL 2017

**LOUISIANA LEGISLATIVE AUDITOR
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FIRST ASSISTANT LEGISLATIVE AUDITOR
LOCAL GOVERNMENT SERVICES
THOMAS H. COLE, CPA

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

April 3, 2017

Chairman Eric LaFleur and Members of the
Joint Legislative Committee on the Budget

Dear Chairman LaFleur and Members of the Joint Legislative Committee on the Budget:

Act 461 of the 2014 Regular Session requires the Legislative Auditor to make quarterly and annual reportings to the Joint Legislative Committee on the Budget of certain audits which have findings with a dollar impact of \$150,000 or more relative to waste or inefficiencies, missed revenue collections, erroneous or improper payments or overpayments by the state, theft of money, failure to meet funding obligations such as pension or health benefits, failure to comply with federal fund or grant requirements, failure to comply with state funding requirements, misappropriation of funds, errors in or insufficient support for disaster expenditures, accountability of public money associated with various disasters such as the Deepwater Horizon event, and repeat findings.

Attached is our report to meet the requirements of Act 461 for the third quarter of Fiscal Year 2017. That report is linked and referenced to the full reports which contain the applicable findings of interest, as well as management's responses.

We are available to present the information that is of interest to your committee. We hope that this report assists you in your legislative decision-making process.

Sincerely,

Thomas H. Cole, CPA
First Assistant Legislative Auditor

DGP/ch

ACT 461 REPORTING – APRIL 2017

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STATE AGENCIES

Agency Name	Parish	Issue Date	Fiscal Year End/ Scope	Link to LLA Report	Finding Description	Page No.	Amount
Department of Corrections - Louisiana State Penitentiary at Angola	West Feliciana	1/18/2017	6/30/2016	Report	The Department of Corrections did not include the revenue or expenditures from the semi-annual Angola Rodeo in the budget approved by the Legislature.	14-15	\$6,294,587
Department of Corrections - Louisiana State Penitentiary at Angola	West Feliciana	1/18/2017	6/30/2016	Report	The Angola Employees Recreation Committee treasurer used the Committee's fund for personal purchases or did not deposit them to the Committee's bank account.	17-21	\$128,962
Department of Corrections - Louisiana State Penitentiary at Angola	West Feliciana	1/18/2017	6/30/2016	Report	Angola management improperly donated funds from the Angola Rodeo to the Angola Museum Foundation to purchase a bus. The prison could not purchase the bus unless it forfeited a vehicle, so the Museum Foundation received a donation from the prison to purchase the bus and pay the insurance.	15-16	\$67,620
Louisiana Department of Health	East Baton Rouge	1/27/2017	6/30/2016	Report	Noncompliance with Third-Party Liability Requirements (Repeat)	2	\$29,000,000

Agency Name	Parish	Issue Date	Fiscal Year End/ Scope	Link to LLA Report	Finding Description	Page No.	Amount
Louisiana Department of Health	East Baton Rouge	1/27/2017	6/30/2016	Report	Inadequate Controls over Quarterly Federal Expenditure Reporting (Repeat)	3	\$250,000,000
Louisiana Department of Health	East Baton Rouge	1/27/2017	6/30/2016	Report	Inadequate Controls over Reporting of Subrecipients (Repeat)	6	\$19,400,000
Louisiana Department of Health	East Baton Rouge	3/22/2017	FY12 - FY16	Report	Program Rule Violations in the Medicaid Dental program	1-6	\$6,431,811
Louisiana Department of Health	East Baton Rouge	3/29/2017	1/2011 - 10/2016	Report	Duplicate Payments for Medicaid Recipients with Multiple Identification Numbers	1-3	\$1,400,000

LOCAL GOVERNMENT AGENCIES

Agency Name	Parish	Issue Date	Fiscal Year End/ Scope	Link to LLA Report	Finding Description	Page No.	Amount
Algiers Development District No.1	Orleans	1/11/2017	12/31/2015	Report	The audit report for the Algiers Economic Development District No. 1 (Algiers) does not include any amounts or disclosures about a potential liability of \$7.3 million relating to sales tax overpayments to Algiers by the state Department of Revenue.		\$7.3 million
Caddo Parish School Board	Caddo	2/22/2017	6/30/2016	Report	Between 2014 and 2016, a former employee in the transportation department made approximately \$260,000 in unauthorized purchases using the business credit card. The former employee was arrested in January 2017	10	\$260,000
District Attorney for the 15th Judicial District	Acadia	1/18/2017	12/31/2016	Report	Seized Cash Assets Not Deposited	4	\$194,900