

An Agreed-Upon Procedures Report on the
**COASTAL PROTECTION AND
RESTORATION AUTHORITY
GREATER NEW ORLEANS HURRICANE AND
STORM DAMAGE RISK REDUCTION SYSTEM**
Issued September 29, 2021



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LOUISIANA LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

August 24, 2021

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

**MR. BREN HAASE, EXECUTIVE DIRECTOR
COASTAL PROTECTION AND
RESTORATION AUTHORITY**
Baton Rouge, Louisiana

We have performed the procedure enumerated below on the sufficiency of documentation for the cost-shared expenditures in relation to the Greater New Orleans Hurricane and Storm Damage Risk Reduction System (HSDRRS) during the period July 1, 2020, through June 30, 2021. This work is identified as the Lake Pontchartrain and Vicinity (LPV) and the West Bank and vicinity (WBV) projects, further broken down into project segments. Coastal Protection and Restoration Authority (CPRA) management is responsible for the sufficiency of documentation on the cost-shared expenditures in relation to the Greater New Orleans HSDRRS.

CPRA management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the sufficiency of the documentation identified above. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

OVERALL RESULTS

For the period July 1, 2020, through June 30, 2021, we confirmed that CPRA's cost share is supported with documentation. As a result of applying our procedure, we found that the United States Army Corps of Engineers (USACE) submitted reports that support the state's cost share of \$115,078,976. However, only \$109,972,183 of the state's cost-share is supported with obligation, payment, invoice, and contractual documents (source documents), as indicated in the following table.

LPV-148.02 Breakdown					
Category Class Subclass (CCS)	Total Cost	State's Share	Supported by USACE Reports	Source Document Support	USACE Reports less Source Document Support
CCS 707 (30%)	\$107,656,283	\$32,296,884	\$32,296,884	\$30,117,698	\$2,179,186
CCS 70A (35%)	51,919	18,172	18,172	0	18,172
CCS 70C (35%)	236,468,342	82,763,920	82,763,920	79,854,485	2,909,435
Totals	\$344,176,544	\$115,078,976	\$115,078,976	\$109,972,183	\$5,106,793

Following is the procedure we applied for the period July 1, 2020, through June 30, 2021 and the resulting finding.

PROCEDURE: We selected the five project segments with the highest total cost share and a 20% sample of the remaining projects segments and confirmed that CPRA's cost share is supported by invoices, receipts, lease agreements, contracts, appraisals, labor policies, time records, equipment logs, or other applicable documentation.

FINDING: Of the five largest project segments, we reviewed one, LPV 148.02. We confirmed the State's cost share (\$115,078,976) for segment LPV 148.02 is supported with documentation. However, \$5,106,793 is only supported with USACE reports. The remaining \$109,972,183 is supported with source documentation including payment, invoice, and contractual documents.

We were engaged by CPRA to perform this agreed-upon procedures engagement and conduct our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States of America. We were not engaged to, and did not conduct an examination or review engagement, the objective of which would be to express an opinion or conclusion, respectively, on the sufficiency of documentation for the cost-shared expenditures in relation to the Greater New Orleans HSDRRS during the period July 1, 2020, through June 30, 2021. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters may have come to our attention that would have been reported to you.

We are required to be independent of CPRA and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

The purpose of this report is solely to assist CPRA management in evaluating the sufficiency of documentation for the cost-shared expenditures in relation to the Greater New Orleans HSDRRS. Accordingly, this report is not suitable for any other purpose. By provision of state law, this report is a public document and has been distributed to the appropriate public officials.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Mike Waguespack', with a stylized flourish extending to the right.

Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MJW/aa

CPRA LEVEE JULY 2020–JUNE 2021

BACKGROUND

In 2009, Act 523 of the Louisiana Legislature created the Office of Coastal Protection and Restoration (OCPR) as an implementation and enforcement arm of the Coastal Protection and Restoration Authority (CPRA). In 2012, Act 604 of the Louisiana Legislature renamed CPRA as the CPRA Board and changed its implementation and enforcement arm from OCPR to CPRA.

CPRA is tasked with developing, implementing, and enforcing the comprehensive coastal protection and restoration master plan. CPRA also implements the integration of hurricane protection, storm damage reduction, flood control, infrastructure, and coastal protection and restoration efforts in accordance with the master plan and annual plans.

In 2009, CPRA entered into deferred payment agreements with the United States Army Corps of Engineers (USACE) as the non-federal sponsor for the Lake Pontchartrain and Vicinity (LPV) and West Bank and Vicinity (WBV), which are part of the Greater New Orleans HSDRRS. The HSDRRS consists of several previously authorized projects which were further modified pursuant to post-Katrina legislation that authorized and funded 100-year level flood protection in the greater New Orleans and surrounding areas. As the non-federal sponsor (along with local levee authorities and levee districts), the state has contributed to the LPV and WBV projects through plans and specifications review, construction inspection assistance, project and program management, and payment of costs associated with land, easements, rights-of-way, relocation, and disposal areas.

The Greater New Orleans HSDRRS includes levees, floodwalls, gated structures and pump stations that form the 133-mile Greater New Orleans perimeter system, as well as improve approximately 70 miles of interior risk reduction structures. Among its technically-advanced engineering solutions, the HSDRRS now includes the world's largest surge barrier of its kind, the IHNC-Lake Borgne Surge Barrier, and the largest drainage pump station in the world, the GIWW-West Closure Complex.

The Lake Pontchartrain and Vicinity project includes a 30% non-federal cost share related to the Flood Control Act of 1965 for the "original HSDRRS project" and a 35% non-federal cost share related to new work. The West Bank and Vicinity project includes a 35% non-federal cost share.

Appendix A

Management's Response



State of Louisiana

JOHN BEL EDWARDS
GOVERNOR

September 22, 2021

Mr. Michael J. "Mike" Waguespack, CPA
Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Waguespack:

RE: Audit Report - Engagement for Agreed Upon Procedures with the Coastal Protection and Restoration Authority

I am writing to provide a response to the audit report for the engagement to apply agreed-upon procedures to assess the sufficiency of the documentation from the United States Army Corps of Engineers (USACE) for the expenditures associated with the Hurricane Storm Damage Risk Reduction System (HSDRRS). We are pleased to see that the auditors have received some documentation from the USACE so that the agreed upon procedures could be conducted. While the information the USACE is willing to provide is limited, it appears to be sufficient for the sample of expenditures reviewed.

We look forward to the next review period and to having additional information from the USACE to evaluate. Your team of auditors are exceptional and we are confident that they will secure the documents we need for the most thorough assessment possible. If you have any questions or need additional information, please contact me at 342-4698.

Sincerely,

Janice A. Lansing
Chief Financial Officer

c: Bren Haase, Executive Director
Denise Stafford, Accountant Administrator
Gloria Tigner, Coastal Resources Program Manager
John Moorehead, Assistant Legislative Auditor and Director of Recovery Assistance Services

Executive Division