

COASTAL PROTECTION AND RESTORATION AUTHORITY GREATER NEW ORLEANS HURRICANE AND STORM DAMAGE RISK REDUCTION SYSTEM

RECOVERY ASSISTANCE SERVICES

**Agreed-Upon Procedures Report
for the period July 1, 2022-June 30, 2023
Issued August 2, 2023**

**LOUISIANA LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397**

LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

DIRECTOR OF RECOVERY ASSISTANCE
VICTORIA HAYES, CPA

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July 20, 2023

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

MR. GREGORY M GRANDY, DEPUTY 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, 2022, through June 30, 2023. This work is identified as the Lake Pontchartrain and Vicinity (LPV) and the West Bank and Vicinity 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, 2022, through June 30, 2023, we confirmed cost-shared expenditures totaling \$98,483,718 for project segment LPV 146 were supported with sufficient documentation.



LPV-146 Breakdown			
Category Class Subclass (CCS)	Total Cost	CPRA's Cost Share	Supported Cost Share
LPV 146 CCS 707 (30%)	\$4,952,969	\$1,485,891	\$1,485,891
LPV 146 CCS 70A (35%)	196,620,128	68,817,045	68,817,045
LPV 146 CCS 70C (35%)	80,516,521	28,180,782	28,180,782
Totals	\$282,089,618	\$98,483,718	\$98,483,718

The procedures and associated findings are as follows:

PROCEDURE: We selected the five project segments with the highest total cost share and a 20% sample of the remaining project 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 have not received documentation for one of the five. We also have not received documentation to identify or review the 20% sample of the remaining project segments. Due to the lack of available documentation, CPRA has determined that the fifth project segment and 20% sample of the remaining project segments will not be reviewed.

Of the five largest projects segments, we reviewed three in prior reporting periods. The results of project segment LPV 148.02 is included in our prior report for fiscal year 2021. The results of project segments LPV 111.01 and LPV 145 are included in our prior report for fiscal year 2022.

During the period July 1, 2022, through June 30, 2023, we reviewed CPRA's cost share totaling \$98,483,718 for project segment LPV 146, and no exceptions were found as a result of this procedure.

We were engaged by CPRA management to perform this agreed-upon procedures engagement and conduct our engagement in accordance with Generally Accepted Government Auditing Standards and attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not conduct, an examination or review engagement, the objective of which would be the expression of 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, 2022, through June 30, 2023. 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 the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of CPRA management, and is not intended to be, and should not be, used by anyone other than this specified party. By provision of state law, this report is a public document and has been distributed to the appropriate public officials.

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

MJW/aa

LPFA 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 Hurricane and Storm Damage Risk Reduction System (HSDRRS). The HSDRRS consists of several previously-authorized projects that 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 WBV project includes a 35% non-federal cost share.

MANAGEMENT'S RESPONSE



State of Louisiana

JOHN BEL EDWARDS
GOVERNOR

July 28, 2023

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) for the period July 1, 2022 through June 30, 2023. We are pleased to see the auditors found that the sampled costs related to the state's cost-share for project segment LPV 146 are supported with applicable and sufficient documentation.

Given the near completion of the HSDRSS system, and the extensive audit work performed to date, we are in mutual agreement with the audit team that the FY 23 engagement will be the final one. Your team of auditors assigned to this engagement have been exceptional and have performed an exemplary job in securing the necessary information from the USACE for the HSDRSS expenditure review. The value that this effort and the auditors have brought to CPRA and to the State of Louisiana is immeasurable.

If you have any questions or need additional information, please contact me at 342-4698.

Sincerely,

Janice A. Lansing
Chief Financial Officer

c: Gregory M. Grandy, Deputy Executive Director
Candace Oby, Accountant Administrator
Victoria Hayes, Assistant Legislative Auditor and Director of Recovery Assistance Services
Executive Division