

DEPARTMENT OF PUBLIC SAFETY AND CORRECTIONS
PUBLIC SAFETY SERVICES
STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES
PROCEDURAL REPORT
ISSUED OCTOBER 28, 2020

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

LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

DIRECTOR OF FINANCIAL AUDIT
ERNEST F. SUMMERVILLE, JR., CPA

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Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



Department of Public Safety and Corrections –
Public Safety Services

October 2020

Audit Control # 80200018

Introduction

The primary purpose of our procedures at the Department of Public Safety and Corrections – Public Safety Services (DPS) was to evaluate certain controls DPS uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. In addition, we determined whether management has taken action to correct the findings reported in the prior report.

Results of Our Procedures

We evaluated DPS’s operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the applicable laws and regulations. Based on the documentation of DPS’s controls and our understanding of related laws and regulations, and the results of our analytical procedures, we performed procedures on selected controls and transactions relating to capital assets, payroll, LaCarte purchasing card expenditures, LaCarte inventory card expenditures, and certain statutory dedicated fees.

Follow-up on Prior-report Findings

We reviewed the status of certain prior-report findings in DPS’s procedural report dated September 25, 2019. The prior year findings relating to Improper Revenue Collection for the Liquefied Petroleum Gas Commission Rainy Day Fund, Lack of Adherence to Controls over Payroll, and Weaknesses in Controls over Louisiana State Police Property have not been fully resolved and are addressed again in this report.

Current-report Findings

Untimely Deposit of Fees of the Liquefied Petroleum Gas Commission Rainy Day Fund

For the second consecutive engagement, the Liquefied Petroleum Gas Commission (Commission) within DPS did not make timely deposits of fees collected for the Liquefied Petroleum Gas Commission Rainy Day Fund (Fund) in accordance with state requirements.

The Commission is authorized to assess and collect fees for annual permits, registrations, and personnel qualifications related to the storage, sale, and transportation of liquefied petroleum gases over the highways of the state, the installation of tanks or systems for the use of liquefied petroleum gases, and the installation and use of liquefied petroleum gas appliances. Our procedures on a population of more than \$1 million in Fund collections during July 1, 2019, through January 31, 2020, disclosed fees collected for nine of 30 (30%) transactions reviewed were not deposited immediately in the State Treasury, as required. Fees totaling \$20,229 were deposited between six and 115 days after receipt.

Funds received by the state or by any state board, agency, or commission are required to be deposited immediately upon receipt in the State Treasury by Article VII, Section 9 (A) of the Louisiana Constitution. The Office of Statewide Reporting and Accounting Policy generally defines “immediately” as within 24 hours of receipt.

The Commission did not ensure adequate procedures exist and are consistently followed to deposit fee collections timely. Untimely deposits increase the risk that fraud and/or errors could occur and not be detected in a timely manner and reduce potential interest earnings on deposits.

Commission management should ensure that policies and procedures are adequately designed and consistently implemented to properly safeguard fee collections and ensure deposits are made timely. Management concurred with the finding and provided a corrective action plan (see Appendix A, page 1).

Lack of Adherence to Controls over Payroll

For the third consecutive engagement, DPS, Office of Motor Vehicles (OMV) did not timely certify and approve time sheets.

OMV utilizes electronic time sheets in the Cross-Application Time Sheet (CATS) system. For the period between August 26, 2019, and December 29, 2019, we noted the following:

- 297 (6.3%) of 4,737 time sheets were not certified by the employee or were certified between three and 71 days (or an average of 12 days) after the payroll posting date.
- 813 (17.2%) of 4,737 time sheets totaling approximately \$1.2 million in salaries, wages, leave, and overtime paid, had not been approved by the supervisor prior to payroll processing. At the time of our testing, 371 timesheets had not been

approved by a supervisor, and 442 time sheets were approved by the employees' supervisors between three and 100 days (or an average of 17 days) after the payroll posting date.

DPS payroll policy requires time sheet approvers to ensure entries are submitted by subordinate employees by the close of the applicable pay period. Approvers are also responsible for reviewing certified time sheets for accuracy and immediately approving or rejecting the certified time statement. Action should be taken on timesheets no later than the Wednesday following the close of the pay period.

OMV employees did not adhere to controls over payroll to certify and approve hours actually worked. As a result, there is an increased risk that errors and/or fraud could occur and not be detected in a timely manner.

Management should ensure employees comply with existing policies and procedures, including properly certifying and approving time sheets in a timely manner. Management concurred with the finding and will continue to implement training and agency-wide procedural improvements as corrective action (see Appendix A, page 2).

Weaknesses in Controls over Property of Louisiana State Police and Office of State Fire Marshal

The Louisiana State Police (LSP) and Office of State Fire Marshal (OSFM) did not ensure that all property purchased was timely tagged and recorded in the state property system and properly safeguarded in accordance with state property regulations. This is the third consecutive engagement in which these issues were noted related to LSP movable property.

The Louisiana Administrative Code requires all movable property items having an original acquisition cost of \$1,000 or more to be tagged with a uniform state of Louisiana identification tag and all pertinent inventory information forwarded to the Louisiana Property Assistance Agency (LPAA) within 60 calendar days after receipt of the items.

Our procedures performed on 33 LSP movable property items acquired between July 1, 2019, and February 29, 2020, disclosed the following:

- Six items totaling \$20,452 were not entered into the LaGov property system within 60 days of acquisition. Of those six items, five were not entered into the system at the time of testing. The time between the acquisition date of the assets and entry into the LaGov property system ranged from 194 to 337 days, or an average of 280 days.
- The acquisition cost entered into the LaGov property system for seven items tested did not agree to the purchase amount per invoice or receipt. The total cost of two of the assets was overstated by \$8,955, and the total cost of five assets was understated by \$81,328. Two of the assets determined to be understated were bomb suits that were included on a purchase order for nine total bomb suits. The

additional seven bomb suits were also understated in the system by a total of \$125,139.

Our procedures performed on OSFM movable property items disclosed the following:

- In a test of 33 movable property items included in the LaGov property system, two items were not physically located. Both items were guns that were traded in during June 2019 but not removed from the system until June 2020.
- In a test of 33 movable property items, an Apple iPad purchased in 2015 was included in the LaGov property system at a cost of \$99,999. The current value of the item is \$499; therefore, the cost of the item is overstated by \$99,500.
- In a test of 13 items acquired between July 1, 2019, and February 29, 2020, 12 items totaling \$25,908 were not entered into the LaGov property system at the time of testing. The time between the acquisition date of the asset and entry into the LaGov property system ranged from 133 to 329 days, or an average 211 days.
- The costs for two of the 13 items acquired between July 1, 2019, and February 29, 2020, were inaccurately entered into the LaGov property system, resulting in an overstatement of \$4,900.
- In a test of 12 movable property items physically located within OSFM, we noted two items that were not tagged. One of the items, a Smart Screen TV/Monitor purchased in 2016 at a cost of \$13,134, was not included in the LaGov property system.

LSP and OSFM's movable property function is hampered by inaccurate and incomplete information included in LaGov; the decentralization of movable property at various locations; and a lack of consistent application of movable property policies and procedures across locations. Failure to comply with state property regulations increases the risk that assets may be misreported, lost, or stolen.

LSP and OSFM management should ensure that information included in LaGov is accurate and complete through reconciliations to purchases per the accounting system; movable property policies are consistently applied at all LSP locations; and centralized receiving locations are established. Management concurred with the finding and provided a corrective action plan (see Appendix A, pages 3-12).

Noncompliance with State Purchasing Regulations

LSP and OSFM did not ensure that purchases made with the LaCarte card were in accordance with state purchasing regulations.

Our procedures on LaCarte card purchases of approximately \$5.7 million and \$534,000 made by LSP and OSFM employees, respectively, and included on billing statements dated between August 5, 2019, and March 5, 2020, disclosed the following:

- LSP and OSFM employees used the LaCarte Card to purchase information technology equipment that should have been acquired through the Office of Technology Services (OTS). Per Revised Statute 39:15.3(B)(21), OTS is responsible for centrally procuring information technology systems and equipment. OTS policy includes a list of centrally procured items such as computers, tablets, printers, and monitors. LSP employees purchased 124 information technology items totaling \$53,623, which included computers/laptops, iPads, monitors, printers and other computer equipment. In addition, OSFM employees purchased 71 information technology items totaling \$15,507, which included laptops, monitors, external hard drives, and printers.
- Two LSP employees used the LaCarte Card to make recurring purchases that included card usage fees. Per the state's LaCarte Purchasing Card Policy, the decision to use a State Purchasing card on a purchase that will incur a surcharge or convenience fee should be based on rare and extenuating circumstances. There were 58 transactions to the same vendor that included convenience fees totaling \$2,631.

LSP and OSFM employees were not aware of the applicable state policies regarding the use of the LaCarte card for certain purchases. Noncompliance with state purchasing regulations increases the risk that fraud or waste could occur and not be detected in a timely manner.

Management should ensure that employees are adequately trained and kept aware of applicable state purchasing regulations to ensure LaCarte purchases are made in accordance with state regulations. Management concurred in part with the finding and provided a corrective action plan (Appendix A, pages 13-16).

Capital Assets

We obtained an understanding of DPS's controls over capital assets as well as the department's recent conversion from the AMP system to the LaGov system for tracking assets.

To follow-up on the prior-report finding related to Weaknesses in Controls over LSP Property and to ensure that controls were in place during the conversion from AMP to LaGov, we performed procedures on LSP, OSFM, and Office of Management and Finance (OMF) property to determine if assets were appropriately safeguarded, timely tagged, and accurately recorded as required by state property regulations. We also reviewed expenditure transactions to identify unrecorded assets. Based on the results of our procedures, a repeat finding titled Weaknesses in Controls over Property of Louisiana State Police and Office of State Fire Marshall is included in the Current-report Findings section of this report.

Payroll

DPS salaries and related benefits totaled approximately \$280 and \$295 million, respectively, in fiscal years 2019 and 2020. To follow-up on the prior-report finding related to Lack of Adherence to Controls over Payroll, we obtained an understanding of DPS's controls over the time and attendance function. We analyzed system reports for the time period of August 2019 through December 2019 to determine the timeliness of employee certifications and approvals for employees of OMV. Based on the results of our procedures, a finding titled Lack of Adherence to Controls over Payroll is included in the Current-report Findings section of this report.

We also analyzed payroll trends of each agency within DPS over the last three years and obtained explanations for selected unusual or large employee pay increases to determine that such increases were made in accordance with state payroll rules and regulations. Based on the results of our procedures, it appears that DPS has substantially complied with State Civil Service rules in granting pay increases.

In addition, we obtained an understanding of DPS's Rewards and Recognition Program and reviewed June 2019 payments made to employees under the program to determine if the payments were made in accordance with state laws and regulations. Based on the procedures performed, the DPS Rewards and Recognition policy was implemented in accordance with State Civil Service rules and the one-time payments made by DPS in June 2019 to employees who achieved exceptional performance evaluations appear to be appropriate.

LaCarte Purchasing Card Expenditures

DPS participates in the state of Louisiana's LaCarte purchasing card program for general office supplies and administrative expenses. We obtained an understanding of DPS's controls over access to and use of these cards. We analyzed LaCarte card transactions included on the billing statements for August 5, 2019, through March 5, 2020, for OMF, LSP, and OSFM. We reviewed selected transactions to ensure that purchases were approved, made for proper business purposes, supported by sufficient documentation, properly reconciled to invoices and receipts, and complied with state purchasing regulations. We also analyzed selected transactions for possible split purchases. Based on the results of our procedures, DPS has adequate controls to ensure that purchases were approved and made for proper business purposes; sufficient documentation was maintained to support purchases; and purchases were properly reconciled to invoices and receipts. However, LSP and OSFM did not ensure that purchases made with the LaCarte card were in accordance with certain state purchasing regulations and a finding on Noncompliance with State Purchasing Regulations is included in the Current-report Findings section of this report.

LaCarte Inventory Card Expenditures

DPS participates in the state of Louisiana’s new LaCarte inventory card program for the purchase of consumable items kept on hand for regular use, such as uniforms, ammunition, and fleet items. We obtained an understanding of DPS’s controls over access to and use of these cards. We analyzed LaCarte inventory card transactions included on the billing statements for September 5, 2019, through March 5, 2020, for OMF and LSP. We reviewed selected transactions to ensure that purchases were approved, made for proper business purposes, supported by sufficient documentation, properly reconciled to invoices and receipts, and complied with state purchasing regulations. We also analyzed selected transactions for possible split purchases. Based on the results of our procedures, OMF and LSP have adequate controls to ensure that purchases were approved and made for proper business purposes; sufficient documentation was maintained to support purchases; and purchases were properly reconciled to invoices and receipts.

Statutory Dedications

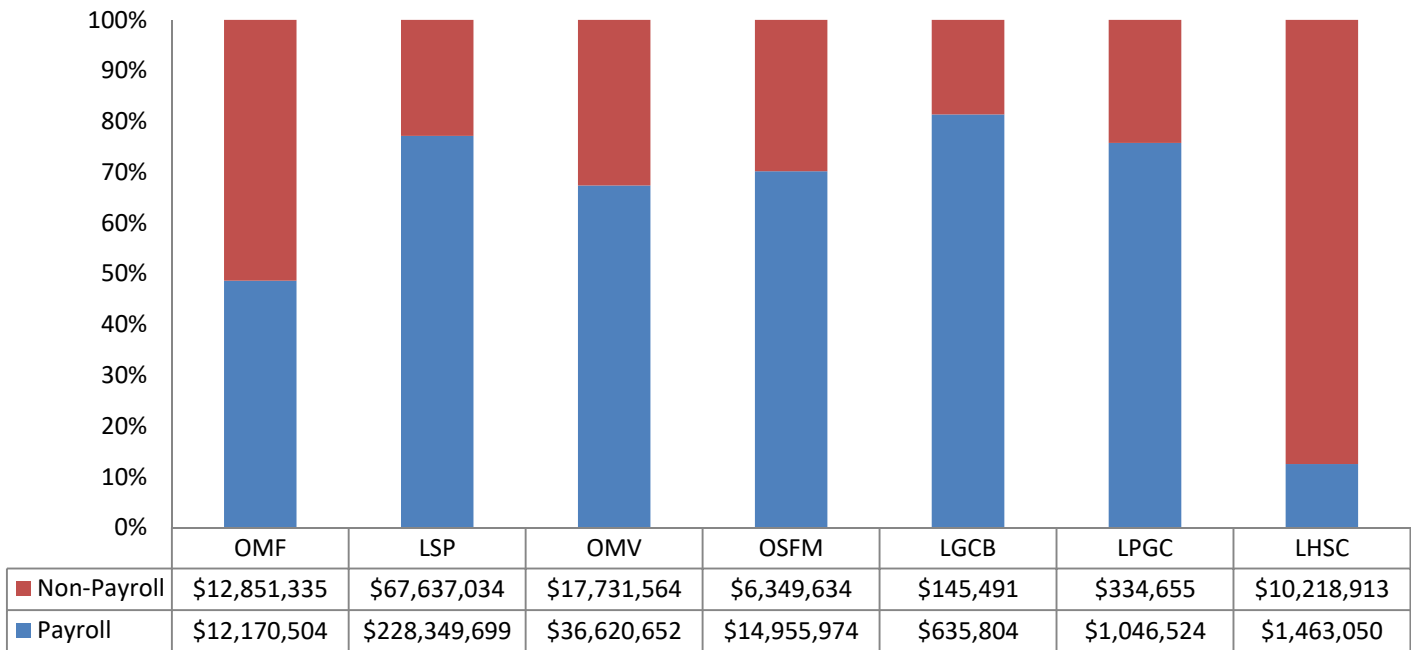
The Liquefied Petroleum Gas Commission Rainy Day Fund includes fees, penalties and interest, and other revenues received by the Commission for annual permits, registrations, and personnel qualifications related to the storage, sale, and transportation of liquefied petroleum gases over the highways of the state, the installation of tanks or systems for the use of liquefied petroleum gases, and the installation and use of liquefied petroleum gas appliances. Monies in the Fund are used for Commission administration expenses.

We performed procedures on the Fund to determine that procedures were in place to adequately collect all required fees and appropriately classify collections to the Fund in accordance with state laws. Based on the results of these procedures, we determined that the Commission is collecting and appropriately classifying fees, penalties, and interest in accordance with state laws. However, a finding on Untimely Deposit of Fees for the Liquefied Petroleum Gas Commission Rainy Day Fund is included in the Current-report Findings section of this report.

Trend Analysis

We compared the most current and prior-year financial activity using DPS’s Annual Fiscal Reports and/or system-generated reports and obtained explanations from DPS’s management for any significant variances. We also prepared an analysis of payroll to total expenditures for all DPS agencies as of June 30, 2020. As shown in Exhibit 1, due to the service nature of the agencies, payroll and related benefits account for the majority of expenditures of the department as of June 30, 2020.

**Exhibit 1
Fiscal Year 2020 Payroll and Non-Payroll Expenditures**

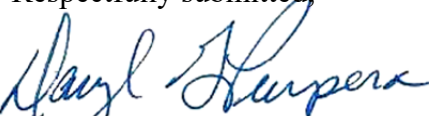


Source: ISIS 2G15 Reports as of 6/30/20 for all DPS agencies.

Other Report

On March 18, 2020, we issued a management letter report on the Louisiana Highway Safety Commission (LHSC), an agency within DPS, in which we evaluated whether management has taken actions to correct prior-report findings on Noncompliance with Subrecipient Monitoring Requirements, Deficiencies in Controls over Payroll, and Weakness in Controls over Federal Vouchering. As a result of those procedures, we determined that management has resolved the prior year findings related to Deficiencies in Controls over Payroll and Weakness in Controls over Federal Vouchering. We reported a repeat finding on Noncompliance with Subrecipient Monitoring Requirements. This report is available on the LLA website.

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

Respectfully submitted,

 Daryl G. Purpera, CPA, CFE
 Legislative Auditor

APPENDIX A: MANAGEMENT'S RESPONSES



Department of Public Safety and Corrections
Public Safety Services

JOHN BEL EDWARDS
GOVERNOR

JOHN W. ALARIO
EXECUTIVE DIRECTOR

August 10, 2020

Daryl G. Pupera, CPA, CFE
Louisiana Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

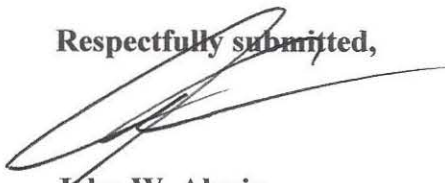
Re: Fees not Deposited Immediately

Dear Mr. Purpera,

On behalf of the Liquefied Petroleum Gas Commission (LPGC), I am responding to the request for response to the findings of the Louisiana Legislative Auditor relative to Fees not Deposited Immediately, as follows:

LPGC concurs with the auditor's findings and has already taken corrective action. LPGC Does return all incomplete applications and payment to those applying for permits. LPGC is working with our software developer to improve the function of our operating system. LPGC staff will receive additional training for processing payments.

Respectfully submitted,



John W. Alario
Executive Director



JOHN BEL EDWARDS
GOVERNOR

KEVIN W. REEVES, COLONEL
DEPUTY SECRETARY

State of Louisiana
Department of Public Safety and Corrections
Public Safety Services

DPS-02-01961-JS
May 14, 2020

Daryl G. Purpera, CPA, CFE
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Purpera, CPA, CFE:

We have received your recent audit finding for the Department of Public Safety, Office of Motor Vehicles. We appreciate the importance these audits have in ensuring state agencies have adequate controls in place to ensure accountability over public funds. We thank you for the opportunity to respond to your finding that there is a lack of adherence to controls over payroll.

The draft report states that between August 26, 2019 and December 29, 2019, 6.3% of OMV timesheets in the CATS system were either not certified or certified untimely by employees and 17.2% of the timesheets had not been approved prior to payroll processing with 371 of the 4,737 timesheets not approved at all by the time of testing. It is important to note that there are factors which occur every pay period which contribute to untimely certifications by employees and/or approvals by the supervisor. Exceptions should be taken into account for employees who were out of the office on extended leave and did not certify at the time of certification; exceptions should also be made for supervisors who did not approve the timesheet timely due to late employee certification or being out of the office as well. Specific to the time frame of this testing period was the cyberattack which occurred around November 18, 2019 and impacted pay periods 24, 25, and 26 of the 2019 calendar year.

Per the report, the unapproved or untimely approved timesheets totaled approximately \$1.2 million in salaries, wages, leave, and overtime paid. It is important to bear in mind that before any overtime is worked or any leave is taken, it *must* be approved by the Supervisor in advance of being worked or taken. Prior approval is also necessary before any overtime or leave is entered into the CATS system. Furthermore, all entries should be entered into the CATS system by the employee and approved in the CATS system by the supervisor prior to the Monday afternoon following the end of the pay period which is when the time statement is generated. Nevertheless, we recognize that because an employee's timely certification of the time statement and the Supervisor's timely approval of the time statement are the final steps in guaranteeing accurate entries for the pay period, we concur that further improvements are needed to ensure compliance with existing policies and procedures, including properly certifying and approving time sheets in a timely manner.

We would like to mention that while there remains room from growth, these results do show progress from previous audits. Through continued CATS/payroll training from Human Resources and agency-wide procedural improvements, we are certain we will experience further improvement with each audit performed. At this time due to COVID-19, a date to continue and complete training cannot be determined, but will be set once agencies are again fully functioning in the work locations.

Sincerely,

LTC. Jason Starnes
Chief Administrative Officer

JS/ac

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JOHN BEL EDWARDS
GOVERNOR

KEVIN W. REEVES, COLONEL
DEPUTY SECRETARY

State of Louisiana
Department of Public Safety and Corrections
Public Safety Services

August 21, 2020
DPS-01982-JS

Nicole W. Martin, Audit Manager
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Ms. Martin,

This is in response to the recent movable property audit of the Louisiana State Police (LSP) and the Office of State Fire Marshal (OSFM) conducted by your agency. LSP property custodians manage over 24,000 pieces of movable property while OSFM property custodians manage over 1,600 pieces of movable property. The Department of Public Safety (DPS) is committed to managing its movable property assets in accordance with the Louisiana Administrative Code, Title 34, Part VII, Property Control, and we view this audit as a means to identify those areas which need improvement.

Before I address each finding, I believe it is important to address some of the obstacles DPS property custodians faced over the past year. In 2019, the Louisiana Division of Administration (DOA) required DPS to transition their movable property inventory from the Asset Management Platform (AMP) to the LaGov property management system. This process, which began during the first quarter of 2019, required DPS property custodians to update every property record in AMP with LaGov specific information and attend multiple training sessions for the new LaGov property management system. The transition from AMP to LaGov was hampered by unforeseen transition issues, the RYUK ransomware attack, and the COVID-19 pandemic. Below is a brief timeline of the transition:

March – April 2019:

- DPS property custodians attended DOA led training sessions for the LaGov property management system. These training sessions, however, were not tailored to DPS which caused a lot of confusion during the practical application. In response, department personnel developed department specific guidelines and held several training sessions with DPS property custodians via conference call.

April – June 2019:

- DPS property custodians were required to update every active property record in AMP (add/update LaGov specific information).

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July – October 2019:

- DOA began moving DPS property records from AMP to LaGov in June 2019. This process took over 3 months. During this time, existing property records could not be modified, which meant DPS property custodians could not transfer or update records for existing property.
- The LaGov property management system proved difficult to navigate, which resulted in a significant delay in the entry of new property into the LaGov system.

October 2019 – December 2019:

- DPS personnel discovered that a significant number of property records did not transfer properly from AMP to LaGov. As a result, a large portion of the department's movable property was assigned to the wrong person and/or section.
- In November 2019, the RYUK ransomware attack crippled the DPS computer system, further delaying the transition process (specifically entering and updating property records).

February 2020:

- Additional internal training sessions were held with DPS property custodians to review the LaGov property management system.
- The difficulty of the system prompted a change in LSP policy. The Technology and Business Support section (TBS) was assigned responsibility for property additions, transfers, and surplus requests.

March 2020 – April 2020:

- In an effort to identify and correct discrepancies in the LaGov property management system, LSP property custodians conducted a preliminary property certification.
- During this time, DPS became heavily involved in the COVID-19 response, and many DPS personnel began telecommuting.
- On March 23, 2020, a representative from the Louisiana Legislative Auditor (LLA) notified LSP they would be "updating their files on the procedure for assets at State Police".

May 2020 – July 2020:

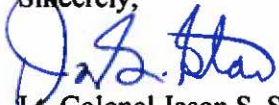
- TBS personnel began correcting discrepancies identified during the preliminary property certification process. The number of discrepancies was so large that DPS requested and was granted an extension for the annual property certification deadline from the Louisiana Property Assistance Agency (LPAA)
- LSP property custodians completed the official property certification, which was submitted to LPAA on July 30, 2020.

Ms. Martin
August 21, 2020
Page 3

The conversion to the LaGov property management system, which lasted over a year, required LSP to incorporate a number of changes to its movable property inventory process. These changes included providing an electronic platform for movable property requests and report submissions, and streamlining the property transfer and surplus process. I am confident these changes will strengthen the department's management of movable property in the future.

As requested, you will find a response to each specific audit finding in the subsequent attachments. If you have additional questions, please contact me at 225-925-6032.

Sincerely,



Lt. Colonel Jason S. Starnes
Deputy Superintendent
Chief Administrative Officer

Cc: Colonel Kevin Reeves, Superintendent
Bob Brown, Chief of Staff



JOHN BEL EDWARDS
GOVERNOR

KEVIN W. REEVES, COLONEL
DEPUTY SECRETARY

State of Louisiana
Department of Public Safety and Corrections
Public Safety Services

August 21, 2020
DPS-01983-JS

Nicole W. Martin, Audit Manager
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: LSP Audit Finding, Property Not Entered in the Specified Time Frame

Dear Ms. Martin,

The Louisiana State Police remains committed to ensuring all personnel responsible for the oversight of movable property comply with the provisions set forth in the Louisiana Administrative Code, Title 34, Part VII, Property Control. During a review of LSP property procedures, LLA personnel identified six movable property items that were not entered into the LaGov property management system within 60 days of acquisition. Below is my response to these discrepancies.

<i>Description</i>	<i>LaGov PCN</i>	<i>Cost</i>	<i>Section Responsible</i>	<i>Purchase Date</i>
Thermal Imager	500139068	\$1,645	CID REG 3/BOSSIER	7/23/2019
Tactical Vest	500140913	\$1,834	PLS/POLICE SUPPLY	11/22/2019
Welding Equipment	500141271	\$3,495	FLEET/GARAGE	8/1/2019
Thermal Night Vision Camera	500141606	\$2,200	CID REG 1/BATON ROUGE	7/25/2019
John Deere Mower	500142815	\$9,653	TROOP F	8/20/2019

I concur with your finding that all of the above listed items were not entered in the statewide inventory system within the required time frame. These items were purchased after the department transitioned from AMP to LaGov for property management. A number of factors contributed to this delay including: the LaGov property management system was difficult to navigate, which delayed the timely entry of new property; the department's computer system was crippled by the RUYK ransomware attack in November 2019; and the department was crippled by the COVID-19 pandemic in March 2020. The Technology and

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Ms. Martin
August 21, 2020
Page 2


- Business Support section (TBS), identified the delay in new property entry in early 2020. In response, they created a movable property database to facilitate the timely entry of new property in LaGov. A corrective action plan is not necessary as the need for a corrective action was identified by the department during the transition process and implemented in April 2020.

<i>Description</i>	<i>LaGov PCN</i>	<i>Cost</i>	<i>Section Responsible</i>	<i>Purchase Date</i>
K9 Kennel	500142745	\$1,625	TROOP I	9/11/2019

- I concur with your finding that the above listed item was not entered in the statewide inventory system within the required timeframe. This kennel was purchased to house the K9 assigned to Troop I. The kennel structure in question consists of a concrete slab, fencing, and a building for shelter. It was not tagged because the property custodian believed this was not considered movable property (the entire structure would need to be torn down if the agency wanted to move it). This information was relayed to LLA personnel, who disagreed and stated the kennel must be tagged. The kennel was subsequently entered into the LaGov property management system by TBS personnel. A corrective action plan is not necessary as this situation has been resolved.

If you have additional questions, please contact me at 225-925-6032.

Sincerely,



Lt. Colonel Jason S. Starnes
Deputy Superintendent
Chief Administrative Officer

Cc: Colonel Kevin Reeves, Superintendent
Bob Brown, Chief of Staff



JOHN BEL EDWARDS
GOVERNOR

KEVIN W. REEVES, COLONEL
DEPUTY SECRETARY

State of Louisiana
Department of Public Safety and Corrections
Public Safety Services

August 21, 2020
DPS-01984-JS

Nicole W. Martin, Audit Manager
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: LSP Audit Finding, Acquisition Cost Incorrect

Dear Ms. Martin,

The Louisiana State Police remains committed to ensuring all personnel responsible for the oversight of movable property comply with the provisions set forth in the Louisiana Administrative Code, Title 34, Part VII, Property Control. It is my understanding that LLA personnel discovered discrepancies in the acquisition cost listed in the LaGov property management system for seven movable property items. As requested, please find below my response to these discrepancies.

<i>Description</i>	<i>LaGov PCN</i>	<i>Section Responsible</i>	<i>Updated Cost</i>	<i>Cost in LaGov</i>	<i>Overstated Amt. Understated Amt.</i>
<i>Chevy Tahoe</i>	<i>500139140</i>	<i>FLEET/VEHICLES</i>	<i>\$32,426</i>	<i>\$0</i>	<i>\$32,426</i>

- I concur with your finding that the acquisition cost of the above listed item was not stated properly in the LaGov property management system. This error occurred because the wrong funding source was listed in the original purchase order for this vehicle. When the funding source was updated, the acquisition price for the vehicle changed to \$0. When the property record was created, the acquisition cost from the Purchase Order (\$0) transferred to the property record. A corrective action is necessary, and will consist of training for LSP property custodians. Training will be completed by September 30, 2020, and will be conducted by Lt. Nicole Kilgore and Dawn Collins, LSP Technology and Business Support.

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<i>Description</i>	<i>LaGov PCN</i>	<i>Section Responsible</i>	<i>Updated Cost</i>	<i>Cost in LaGov</i>	<i>Overstated Amt. Understated Amt.</i>
<i>John Deere Mower</i>	<i>500142815</i>	<i>TROOP F</i>	\$9,653	\$0	\$9,653

- I concur with your finding that the acquisition cost of the above listed item was not stated properly in the LaGov property management system. This error occurred because the asset record was incorrectly generated and was not properly tied to the purchase order. A corrective action is necessary, and will consist of training for LSP property custodians. Training will be completed by September 30, 2020, and will be conducted by Lt. Nicole Kilgore and Dawn Collins, LSP Technology and Business Support.

<i>Description</i>	<i>LaGov PCN</i>	<i>Section Responsible</i>	<i>Updated Cost</i>	<i>Cost in LaGov</i>	<i>Overstated Amt. Understated Amt.</i>
<i>Welding Equipment</i>	<i>500141271</i>	<i>FLEET/GARAGE</i>	\$3,495	\$0	\$3,495

- I concur with your finding that the acquisition cost of the above listed item was not stated properly in the LaGov property management system. This error occurred because the acquisition cost was not added to the property record when it was created. A corrective action is necessary, and will consist of training for LSP property custodians. Training will be completed by September 30, 2020, and will be conducted by Lt. Nicole Kilgore and Dawn Collins, LSP Technology and Business Support.

<i>Description</i>	<i>LaGov PCN</i>	<i>Section Responsible</i>	<i>Updated Cost</i>	<i>Cost in LaGov</i>	<i>Overstated Amt. Understated Amt.</i>
Bomb suit#2	500134732	ESU/NORTH	\$35,310	\$17,433	\$17,877
Bomb suit#1	500134735	ESU/NORTH	\$34,620	\$16,743	\$17,877

- I concur with your finding that the acquisition cost of the above listed items were not stated properly in the LaGov property management system. Each bomb suit (ensemble) consists of a suit, trouser expansion, helmet, face shield, and battery charger kit. Each ensemble was entered into the LaGov property management system as a single item with multiple pieces. The error in the acquisition cost occurred because Purchase Order 2000425908 was not created correctly; specifically, each bomb suit ensemble should have been listed on one line. This was corrected by assigning sub-assets to each notification in LaGov. Corrective action is necessary, and will consist of training LSP property custodians. Training will be completed by September 30, 2020, and will be conducted by Lt. Nicole Kilgore and Dawn Collins, LSP Technology and Business Support.

<i>Description</i>	<i>LaGov PCN</i>	<i>Section Responsible</i>	<i>Updated Cost</i>	<i>Cost in LaGov</i>	<i>Overstated Amt. Understated Amt.</i>
K9	500134781	SWAT PLATOON II	\$13,150	\$21,675	\$8,525

- I concur with your finding that the acquisition cost of the above listed item was not stated properly in the LaGov property management system. The error occurred because the asset cost was not broken down properly on the Purchase Order, which resulted in the entire cost of the K9 being reflected on the asset record. Corrective action is necessary, and will consist of training LSP property custodians. Training will be completed by September 30, 2020, and will be conducted by Lt. Nicole Kilgore and Dawn Collins, LSP Technology and Business Support.

<i>Description</i>	<i>LaGov PCN</i>	<i>Section Responsible</i>	<i>Updated Cost</i>	<i>Cost in LaGov</i>	<i>Overstated Amt. Understated Amt.</i>
K9 Kennel	500142745	TROOP I	\$1,625	\$2,055	\$430

- I concur with your finding that the acquisition cost of the above listed item was not stated properly in the LaGov property management system. The property manager who entered this item in LaGov incorrectly included the shipping cost in the final acquisition cost. Corrective action is necessary, and will consist of training LSP property custodians on which final invoice costs should be included or excluded from the final acquisition cost. Training will be completed by September 30, 2020, and will be conducted by Lt. Nicole Kilgore and Dawn Collins, LSP Technology and Business Support.

If you have additional questions, please contact me at 225-925-6032.

Sincerely,



Lt. Colonel Jason S. Starnes
 Deputy Superintendent
 Chief Administrative Officer

Cc: Colonel Kevin Reeves, Superintendent

Bob Brown, Chief of Staff



JOHN BEL EDWARDS
GOVERNOR

LOUISIANA DEPARTMENT OF PUBLIC SAFETY & CORRECTIONS
PUBLIC SAFETY SERVICES

OFFICE OF STATE FIRE MARSHAL



H. "BUTCH" BROWNING, JR.
STATE FIRE MARSHAL

DATE: August 21, 2020
TO: Legislative Auditor
FROM: H. "Butch" Browning
State Fire Marshal
RE: Audit Response

The Louisiana Legislative Auditor's Office (Auditor) conducted an audit of property housed within the Office of State Fire Marshal (OSFM) for the period of July 1, 2019 through February 20, 2020. During this period of time, the Department of Public Safety, inclusive of the OSFM, were required to move from the Asset Management Platform (AMP) property maintenance system to the LaGov Enterprise Resource Planning System. The migration of property from one system to the other system took place in or about July, 2019 and, unfortunately, resulted in an error rate of at least 50% or more. The process then required, and continues to require, extensive correction and training to acquire the knowledge and skills to operate the system. Property custodians were also not able to enter new property until October, 2019. These factors have partially contributed to some of the delays in the entry and removal of property items in the new LaGov system. However, the OSFM believes that with continued training in and use of the new system, and the creation and application of new procedures, there will be a significant reduction and, possibly, an elimination of errors and delays.

Please see the OSFM's response to each of the Auditor's findings below:

Bullet #1: Concur with clarification. The OSFM believes it is necessary to clarify the conclusion of the legislative auditor. The guns were not physically located in the OSFM building because they had been legally and properly traded. There was, as stated, a delay in their removal from the system.

Bullet #2: Concur with clarification. The item was not entered into the system by the OSFM. It was entered into the system with the incorrect cost by OTS. To avoid this type of error in the future, the OSFM is developing procedures wherein, purchases made through OTS will be reported to the property custodian and property delivered from OTS through these purchases will not go directly to the requester, but to the property custodian. That will allow for proper tagging and prompt the custodian to ensure the property was entered correctly. If not entered correctly, the error can be promptly corrected. These procedures are in the process of being developed and should be completed by September 7, 2020. Lt. Lorre Claiborne has been designated as the property custodian for the OSFM and is the contact person for this action plan. Additionally, this error has been corrected.

Bullet #3: Concur with clarification. As with the implementation of any new, complex system, there will be expected delays and a continued learning curve. However, as the property custodian receives additional training, completes the task of correcting migration errors, and becomes more proficient in the system, the OSFM believes the delay in property entry will be significantly reduced or eliminated. These mitigating efforts are currently taking place.

Bullet #4: Concur with clarification. The two items at issue were the same item. The total cost for both was \$4,900 with an individual cost of approximately \$2,450. The custodian entered the total cost instead of the individual cost in error. This error has been corrected.

Bullet #5: Concur. This item was purchased by OTS. To avoid this type of error in the future, the OSFM is developing procedures wherein, purchases made through OTS will be reported to the property custodian and property delivered from OTS through these purchases will not go directly to the requester, but to the property custodian. That will allow for proper tagging and prompt the custodian to ensure the property was entered correctly. If not entered correctly, the error can be promptly corrected. These procedures are in the process of being developed and should be completed by September 7, 2020. Lt. Lorre Claiborne has been designated as the property custodian for the OSFM and is the contact person for this action plan. Additionally, this error has been corrected.



JOHN BEL EDWARDS
GOVERNOR

LOUISIANA DEPARTMENT OF PUBLIC SAFETY & CORRECTIONS
PUBLIC SAFETY SERVICES



H. "BUTCH" BROWNING, JR.
STATE FIRE MARSHAL

OFFICE OF STATE FIRE MARSHAL

October 5, 2020

Daryl G. Purpera, CPA, CFE
Legislative Auditor
Louisiana Legislative Auditor
P.O. Box 94397
Baton Rouge, La 70804-9397

Re: Office of State Fire Marshal Official Response
Louisiana Legislative Audit – Office of State Fire Marshal’s Response—Noncompliance with
State Purchasing Regulations

Mr. Purpera:

LLA Findings: The Office of State Fire Marshal (OSFM) is in receipt of an audit finding by the Louisiana Legislative Auditor as referenced above. It is asserted therein that it conducted an of audit of LaCarte card purchases for the OSFM. It further asserted that OSFM employees used the LaCarte card to purchase information technology equipment that should have been acquired though the Office of Technology Services (OTS) in accordance with R.S. 39:15.3(B)(21). The audit finding further states that there are OTS policies that provide lists of centrally procured items like computer, tablets, printers, and monitors. However, the finding does not specifically identify these policies to properly reference. The audit finding also alleges that OSFM purchased 71 information technology items. Finally, the audit finding asserts that the OSFM was not aware of the applicable state policies (i.e. OTS policies) regarding the use of the LaCarte card for certain purchases.

OSFM Statement: At this time, and based on the information received and researched, the OSFM concurs with the findings of the Louisiana Legislative Auditor.

Plan of Correction: Although the OSFM receives information from other offices and agencies, that information and reliance on that information alone has proven to be insufficient and incomplete. Therefore, as to a corrective plan, it is apparent that a more active role in obtaining and reviewing OTS policies in regards to purchasing is necessary and will be implemented. Specifically, as to the purchasing of information technology items, the OSFM is now aware of the policy and will follow it accordingly. If you require anything further, please do not hesitate to contact Deputy Chief Erin St. Pierre at erin.e.st.pierre@la.gov.

With respect,

H. "Butch" Browning, Jr.
State Fire Marshal



JOHN BEL EDWARDS
GOVERNOR

KEVIN W. REEVES, COLONEL
DEPUTY SECRETARY

State of Louisiana
Department of Public Safety and Corrections
Public Safety Services

October 6, 2020
DPS-02-01994-JS

Ms. Courtney Brettillo, Financial Senior Auditor
Division of Administration
State of Louisiana
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

RE: LLA Single Audit Findings, LaCarte Transactions

Dear Ms. Brettillo:

The Louisiana Legislative Auditor (LLA) identified discrepancies in purchases made by the Technology and Business Support Section (TBS) between August 5, 2019 and March 5, 2020. Specifically, TBS personnel utilized their LaCarte purchasing card to purchase information technology equipment. I researched each identified purchase and concur with all but the below listed finding:

COSTCO #1172	WHSE	Two Monitors for the TBS Conference Room	TXN00229476	\$1499.98
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- These two monitors fall under the OTS Procurement Exemption List - Audio Visual Equipment and replacement parts (i.e., large screen monitors for projection or TV use). These are large screen monitors which are mounted on the wall in the TBS conference room. They are used to project the computer screen during meetings and for TV use.
- Two LSP employees used the LaCarte Card to make recurring purchases that included card usage fees. Per the state's LaCarte Purchasing Card Policy, the decision to use a State Purchasing card on a purchase that will incur a surcharge or convenience fee should be based on rare and extenuating circumstances. There were 58 transactions to the same vendor that included convenience fees totaling \$2,631.

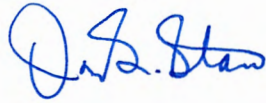
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Ms. Brettillo
October 6, 2020
Page 2

The remaining items, which are listed on the following page, should have been purchased through OTS. A meeting will be held with all LaCarte card holders and approvers prior to October 9, 2020 to discuss the audit findings, review the OTS Procurement Exemption List, and ensure compliance with Revised Statute 39:15.3(B)(21). Lt. Nicole Kilgore will be responsible for coordinating the meeting and covering the topics listed.

Should you need any additional information, please feel free to contact me at (225) 925-6032.

Sincerely,



Lt. Colonel Jason S. Starnes
Deputy Superintendent
Chief Administrative Officer

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LLA Findings, TBS LaCarte Purchases

Vendor	Description	LaCarte Transaction	Amt of Purchase	Non-Allowable Amt. of Purchase	Comments
STAPLES	Office Supplies - Printer and Labels, paper clips, binder clips	TXN00227098	\$1,123.72	\$355.19	Concur
BEST BUY 00004952	BestBuy - Microsoft Surface Laptop for Ms. Mary Vanvalkenburg - Approved by Chief of Staff	TXN00222937	\$999.00	\$999.00	Concur
BEST BUY 00004952	BestBuy - Surface Laptop for Lt. Treone Larvadain and Lt. Dwight Robinette	TXN00220716	\$1,998.00	\$1,998.00	Concur
BEST BUY 00004952	BestBuy - Surface Laptop for Sgt. Andrew Schexnayder	TXN00220758	\$999.00	\$999.00	Concur
BESTBUYCOM805643696448	BestBuy - Microsoft Surface Laptop 2 for Captain Lamar Davis and Mr. Mike Sittig	TXN00225516	\$1,998.00	\$1,998.00	Concur
COSTCO WHSE #1172	Costco - Two Monitors For The TBS Conference Room	TXN00229476	\$1,499.98		Dispute - Two 75" monitors OTS Procurement Exemption - Audio Visual Equipment and replacement parts (i.e., large screen monitors for projection or TV use)
DMI DELL HIGHER EDUC	Dell.com - Laptops For Mobile Field Force	TXN00233857	\$2,666.52	\$2,666.52	Concur
AMZN Mktp US 112IA8L03	Lexmark CS310n Compact Color Laser Printer, Network Ready and Professional Features	TXN00226430	\$309.99	\$309.99	Concur
AMZN Mktp US 224370H03	Microsoft Arc Mouse (ELG-00001) Black/Microsoft Surface Laptop 2 (Intel i5, 8GB RAM, 128GB) - Newest Version, Platinum	TXN00226233	\$1,057.38	\$889.00	Concur
AMZN Mktp US JE5XE7WI3	Microsoft Surface Laptop 2 (Intel Core i5, 8GB RAM, 128GB) - Platinum	TXN00226847	\$885.00	\$885.00	Concur
AMZN Mktp US Y25ER47N3	Microsoft Surface Laptop 2 (Intel Core i5, 8GB RAM, 128GB) - Platinum	TXN00227874	\$899.00	\$899.00	Concur
APPLE STORE #R263	IPAD PRO 12.9 WIFI 64GB SILVER-USA	TXN00223079	\$1,958.00	\$1,958.00	Concur
OFFICE DEPOT #1127	Lexmark C2425dw Wireless LAN Color Laser Printer	TXN00227765	\$661.98	\$661.98	Concur
OFFICE DEPOT #1127	Lexmark C4225dw Wireless LAN Color Laser Printer	TXN00232772	\$556.98	\$481.98	Concur
OFFICE DEPOT #1127	Lexmark C4225dw Wireless LAN Color Laser Printer	TXN00234451	\$405.99	\$330.99	Concur

\$18,018.54

\$15,431.65

APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at the Department of Public Safety and Corrections – Public Safety Services (DPS) for the period from July 1, 2019, through June 30, 2020. Our objective was to evaluate certain controls DPS uses to ensure accurate financial reporting, compliance with applicable laws and regulations, and accountability over public funds. The scope of our procedures, which is summarized below, was significantly less than an audit conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. We did not audit or review DPS’s Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. DPS’s accounts are an integral part of the State of Louisiana’s financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated DPS’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 DPS.
- Based on the documentation of DPS’s controls and our understanding of related laws and regulations, and results of our analytical procedures, we performed procedures on selected controls and transactions relating to capital assets, payroll, LaCarte purchasing card expenditures, LaCarte inventory card expenditures, and certain statutory dedicated fees.
- We compared the most current and prior-year financial activity using DPS’s Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from DPS’s management for any significant variances that could potentially indicate areas of risk.

The purpose of this report is solely to describe the scope of our work at DPS, and not to provide an opinion on the effectiveness of DPS’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 purpose.