



Report Highlights

Executive Department

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Why We Conducted This Audit

We performed certain procedures at the Executive Department as a part of the Annual Comprehensive Financial Report of the State of Louisiana, the Single Audit of the State of Louisiana, and to evaluate the department's accountability over public funds for the period July 1, 2021, through June 30, 2022.

What We Found

- The Division of Administration (DOA), Louisiana Office of Community Development (LOCD) identified \$2,635,609 in Small Rental Property Program loans for nine property owners under the Community Development Block Grant/State's Program (CDBG) who failed to comply with one or more of their loan agreement requirements and were assigned to loan recovery status. In addition, 1,147 noncompliant loans identified in previous years totaling \$104.5 million remain outstanding.
- The DOA, LOCD identified \$121,650 in noncompliant Restore Louisiana Homeowner Assistance Program awards for eight homeowners through established program implementation and monitoring procedures for the CDBG program. In addition, 36 noncompliant files totaling \$644,913 identified in the previous years are still outstanding.
- For the second consecutive year, the DOA, LOCD did not comply with Federal Funding Accountability and Transparency Act reporting requirements for the CDBG program. In a sample of seven subawards, two (28.6%) were not reported, and LOCD reported an incorrect subaward amount for one. None of the five obligations reported were reported within the required timeframe.
- The DOA, Office of Finance and Support Services (OFSS), did not have effective controls over financial reporting for the Office of Technology Services (OTS). Our procedures identified errors and exceptions in the annual fiscal report (AFR) submitted by OFSS to the Office of Statewide Reporting and Accounting Policy for OTS.
- We determined that management has resolved the prior-year finding related to Weakness in Controls over Information Technology Security. A prior-year finding related to Inadequate Grant Recovery of Homeowner Assistance Program Awards is not repeated in the current year because the DOA, LOCD did not identify any new noncompliant HAP awards for the CDBG program during fiscal year 2022. However, as of June 30, 2022, 27,491 noncompliant files totaling \$899.8 million identified in previous years are still outstanding.

View the full report, including management's responses, at www.la.gov.