

GOVERNOR'S OFFICE OF HOMELAND SECURITY AND
EMERGENCY PREPAREDNESS

STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES
MANAGEMENT LETTER
ISSUED JUNE 8, 2022

**LOUISIANA LEGISLATIVE AUDITOR
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Louisiana Legislative Auditor

Michael J. “Mike” Waguespack, CPA



Governor’s Office of Homeland Security
and Emergency Preparedness

June 2022

Audit Control # 80210042

Introduction

As a part of our audit of the State of Louisiana’s Annual Comprehensive Financial Report and our work related to the Single Audit of the State of Louisiana (Single Audit) for the fiscal year ended June 30, 2021, we performed procedures at the Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP) to provide assurances on financial information that is significant to the state’s Annual Comprehensive Financial Report; evaluate the effectiveness of GOHSEP’s internal controls over financial reporting and compliance; and determine whether GOHSEP complied with applicable laws and regulations.

Results of Our Procedures

Annual Comprehensive Financial Report – State of Louisiana

As a part of our audit of the Annual Comprehensive Financial Report for the year ended June 30, 2021, we considered internal control over financial reporting and examined evidence supporting GOHSEP’s federal revenue, non-payroll expenditures, receivables, payables, unearned revenue, and advances.

The account balances and classes of transactions tested, as adjusted, are materially correct.

Federal Compliance - Single Audit of the State of Louisiana

As a part of the Single Audit for the year ended June 30, 2021, we performed internal control and compliance testing as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) on GOHSEP’s major federal programs, as follows:

- Coronavirus Relief Fund (AL 21.019)
- Emergency Rental Assistance Program (AL 21.023)
- Disaster Grants - Public Assistance (Presidentially Declared Disasters) (AL 97.036)

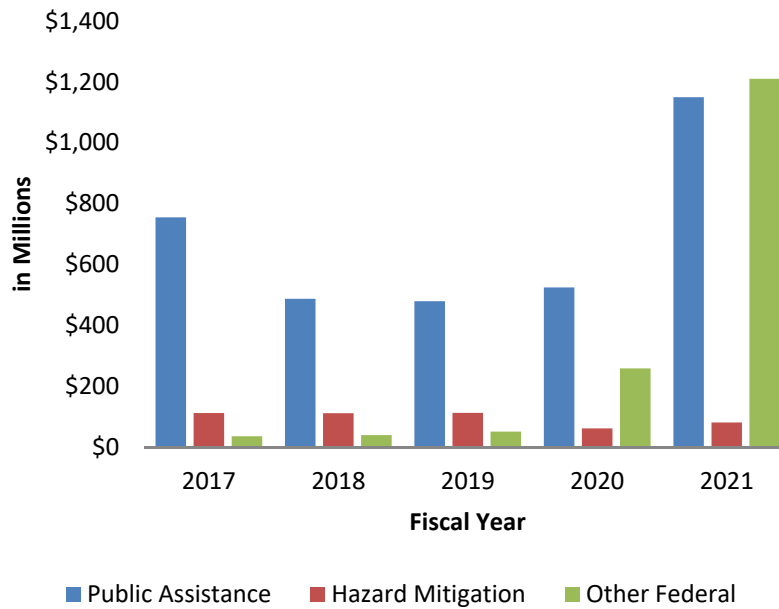
Those tests included evaluating the effectiveness of GOHSEP's internal controls designed to prevent or detect material noncompliance with program requirements and tests to determine whether GOHSEP complied with applicable program requirements. In addition, we performed procedures on information submitted by GOHSEP to the Division of Administration's Office of Statewide Reporting and Accounting Policy for the preparation of the state's Schedule of Expenditures of Federal Awards (SEFA) and on the status of the prior-year findings for the preparation of the state's Summary Schedule of Prior Audit Findings, as required by Uniform Guidance.

GOHSEP's information submitted for the preparation of the state's SEFA and the state's Summary Schedule of Prior Audit Findings, as adjusted, is materially correct.

Trend Analysis

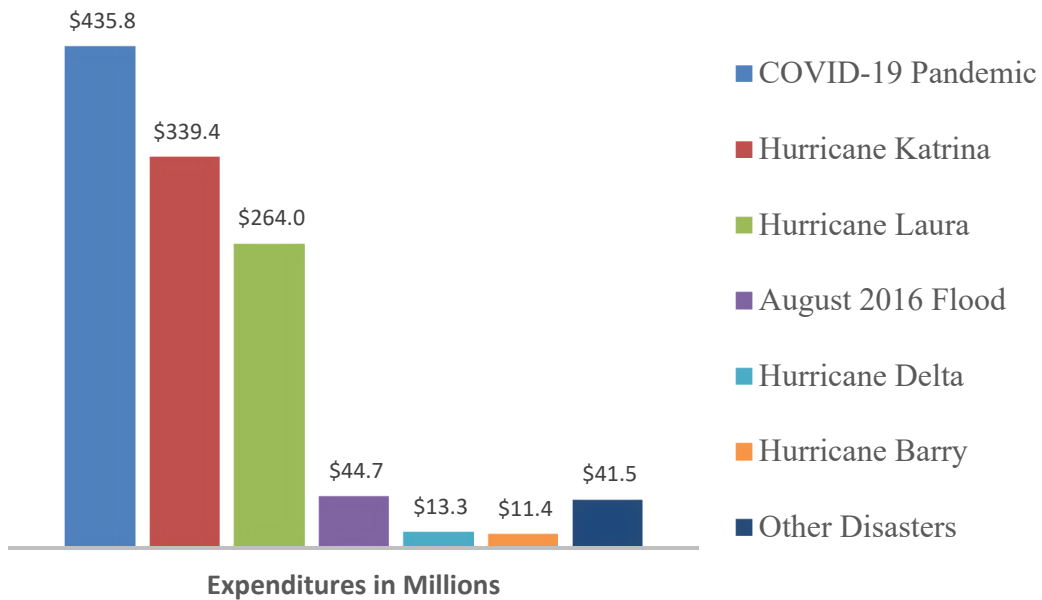
We compared the most current and prior-year financial activity using GOHSEP's Annual Fiscal Reports and/or system-generated reports and obtained explanations from GOHSEP's management for any significant variances. We also prepared an analysis of GOHSEP's federal expenditures over the past five fiscal years. As shown in Exhibit 1, other federal program expenditures increased approximately \$952 million, primarily as a result of expenditures for the Coronavirus Relief Fund (CRF) (AL 21.019), which was created in fiscal year 2020 in response to the COVID-19 pandemic. The state of Louisiana received an advance payment of federal funds in the amount of \$1,802,619,342 from the Coronavirus Aid, Relief, and Economic Security (CARES) Act through the CRF program. GOHSEP distributes this money to state and local agencies after their submitted expenditures are deemed reimbursable by the Division of Administration. In addition, Disaster Grants - Public Assistance (PA) (AL 97.036) expenditures increased overall by approximately \$625.6 million as a result of the state's COVID-19 response as well as nine new disasters declared in fiscal year 2021. For the state fiscal year ended June 30, 2021, GOHSEP's PA expenditures by major disasters are as shown in Exhibit 2.

Exhibit 1
Five-Year Trend in Federal Expenditures



Source: Fiscal Years 2017-2021 Annual Fiscal Reports

Exhibit 2
Fiscal Year 2021 PA Expenditures by Disaster



Source: LaGov Expenditure Report as of 6/30/21

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

Respectfully submitted,



Michael J. "Mike" Waguespack, CPA
Legislative Auditor

CB:NM:RR:EFS:ch

GOHSEP2021

APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the Governor’s Office of Homeland Security and Emergency Preparedness (GOHSEP) for the period from July 1, 2020, through June 30, 2021, to provide assurances on financial information significant to the State of Louisiana’s Annual Comprehensive Financial Report, and to evaluate relevant systems of internal control in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Our procedures, summarized below, are a part of the audit of the Annual Comprehensive Financial Report and our work related to the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2021.

- We evaluated GOHSEP’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 GOHSEP.
- Based on the documentation of GOHSEP’s controls and our understanding of related laws and regulations, we performed procedures to provide assurances on certain account balances and classes of transactions to support our opinions on the Annual Comprehensive Financial Report.
- We performed procedures on the Coronavirus Relief Fund (AL 21.019), Emergency Rental Assistance Program (AL 21.023), and Disaster Grants – Public Assistance (Presidentially Declared Disasters) (AL 97.036) for the year ended June 30, 2021, as a part of the 2021 Single Audit.
- We performed procedures on information for the preparation of the state’s Schedule of Expenditures of Federal Awards and on the status of prior-year findings for the preparation of the state’s Summary Schedule of Prior Audit Findings for the year ended June 30, 2021, as a part of the 2021 Single Audit.
- We compared the most current and prior-year financial activity using GOHSEP’s Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from GOHSEP’s management for significant variances.

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

We did not audit or review GOHSEP’s Annual Fiscal Report, and accordingly, we do not express an opinion on that report. GOHSEP’s accounts are an integral part of the state of Louisiana’s Annual Comprehensive Financial Report, upon which the Louisiana Legislative Auditor expresses opinions.