

STATE OF LOUISIANA

**Governor's Mansion
State of Louisiana
Baton Rouge, Louisiana**

March 17, 2004



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GOVERNOR'S MANSION
STATE OF LOUISIANA
Baton Rouge, Louisiana

Compliance Report
Dated March 1, 2004

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor.

Issued March 17, 2004



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March 1, 2004

HONORABLE KATHLEEN BABINEAUX BLANCO
GOVERNOR OF LOUISIANA
Baton Rouge, Louisiana

Under Louisiana Revised Statute (R.S.) 49:208, responsibility for the Governor's Mansion (Mansion) property is vested in the legislative auditor during the week preceding the inauguration of the Governor. In meeting this responsibility, we performed various procedures to report on the continued accountability for the Mansion property. Our procedures included (1) tests to physically locate all items on the inventory listings dated January 5, 2004; (2) tests to ensure all items on hand at the Mansion were properly included on the inventory listings; (3) tests of movable property acquisitions for fiscal years 1997 through 2004 to ensure proper inclusion on the inventory listings; and (4) an evaluation of prior report findings. Our procedures were more limited than would be necessary to give an opinion on internal control and on compliance with laws, regulations, policies, and procedures governing financial activities.

The previous inventory of the Mansion property was performed by us during the week preceding the 1996 inauguration. In our report dated February 8, 1996, we noted that the Friends of the Mansion Foundation property had not been inventoried and catalogued by location; 40 items valued at approximately \$55,000 purchased by the Friends of the Mansion Foundation could not be located; 12 items on the Mansion inventory listing valued at approximately \$5,300 could not be located; 10 items that were located in the Mansion were not properly included on the Mansion inventory listing and three of those items were not tagged; and six items purchased during the prior administration had not been tagged or added to the inventory listings and could not be located.

Based on the application of the procedures referred to previously, we found that the Friends of the Mansion Foundation items have been added to the inventory records of the Mansion; unlocated items from the prior review were properly removed from the inventory records; and all other items were adequately resolved by properly tagging items and/or adding them to the inventory.

The Friends of the Mansion Foundation is no longer in existence. In May 1996, the Louisiana Governor's Mansion Foundation, Inc. (Foundation) was formed to solicit and accept donations to finance the refurbishment, preservation, and operation of the Mansion. In addition, Act 132 of the 1998 1st Extraordinary Session of the Legislature created the Louisiana Governor's Mansion Commission (Commission) as an agency of the state for the purposes of protection and enhancement of the Mansion, its contents, furnishings, and grounds.

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All items listed on the Mansion inventory records as of January 5, 2004, were physically located. In testing to ensure that all items on hand at the Mansion were properly included on the inventory listings, we found the following reportable condition:

**No Written Agreements for Items
Loaned to the State**

The Commission does not have written agreements for property on loan to the state from the Foundation or from other state agencies as required by state law. R.S. 25:1014.B.(3)(a) requires the Commission to enter into agreements for the loan to the state of any item which is not owned by the state or for items owned by other state agencies, where those items are to be included in the physical contents and furnishings of the Mansion. We located 67 items valued at approximately \$670,000 in the Mansion that are on loan from the Foundation and 32 items valued at approximately \$570,000 on loan from state agencies and others that would require a loan agreement.

In testing acquisitions for fiscal years 1997 through 2004 to ensure proper inclusion on the inventory listings, we found the following reportable condition:

**Property Purchased But Not
on Inventory or Located**

We found invoices for purchases in fiscal years 1999 through 2002 for three items totaling \$6,352 that were not tagged or added to the Mansion inventory records and could not be located during the physical inventory. These items are as follows:

<u>Description</u>	<u>Cost</u>
Dell computers (2)	\$4,412
Dell printer	1,940
	<u>\$6,352</u>

Procedures should be established to ensure that all property subject to R. S. 39:324 is properly tagged, inventoried, and included in the movable property records. In addition, agreements should be executed for all property on loan and included in the physical contents of the Mansion.

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The recommendations in this report represent, in our judgment, those most likely to bring about beneficial improvements for accountability of the Mansion's movable property inventory. The varying nature of the recommendations, their implementation costs, and their potential impact on the accountability of the Mansion's movable property inventory should be considered in reaching decisions on courses of action. Findings relating to compliance with applicable laws and regulations should be addressed immediately by management.

This report is intended for the information and use of the Office of the Governor and management of the Governor's Mansion and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Grover C. Austin". The signature is fluid and cursive, with a large initial "G" and "A".

Grover C. Austin, CPA
First Assistant Legislative Auditor

FP:BQD:THC:ss

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