

STATE OF LOUISIANA

Department of Natural Resources
State of Louisiana
Baton Rouge, Louisiana

Independent Auditor's Report
on Agreed-Upon Procedures

April 28, 2004



LEGISLATIVE AUDITOR

LEGISLATIVE AUDIT ADVISORY COUNCIL

MEMBERS

Representative Edwin R. Murray, Chairman
Senator J. "Tom" Schedler, Vice Chairman

Senator Robert J. Barham
Senator Joe McPherson
Senator Willie L. Mount
Senator Ben W. Nevers, Sr.
Representative Rick Farrar
Representative Cedric Richmond
Representative T. Taylor Townsend
Representative Warren J. Triche, Jr.

DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT

Albert J. Robinson, Jr., CPA

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Two copies of this public document were produced at an approximate cost of \$3.74. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's Web site at www.la.state.la.us. When contacting the office, you may refer to Agency ID No. 3356 or Report ID No. 04802265 for additional information.

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Wayne "Skip" Irwin, Director of Administration, at 225/339-3800.

DEPARTMENT OF NATURAL RESOURCES
STATE OF LOUISIANA
Baton Rouge, Louisiana

Independent Auditor's Report
on Agreed-Upon Procedures
Dated April 7, 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.

April 28, 2004



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

1600 NORTH THIRD STREET
POST OFFICE BOX 94397
TELEPHONE: (225) 339-3800
FACSIMILE: (225) 339-3870

April 7, 2004

Independent Auditor's Report
on Applying Agreed-Upon Procedures

DEPARTMENT OF NATURAL RESOURCES
STATE OF LOUISIANA
Baton Rouge, Louisiana

As requested by the department, we have performed the procedures enumerated below, which were agreed to by management of the Department of Natural Resources, solely to assist the department in the evaluation of the Davis Pond non-federal work in-kind credits from July 2000 to June 2003; Davis Pond non-federal work in-kind credits for oyster relocation efforts from March 1999 to June 2003; and Davis Pond oyster lease payments from August 2001 to June 2002. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of management of the Department of Natural Resources. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and associated findings are as follows:

1. We examined the ten largest checks and 20 randomly selected checks paid by the department from August 2001 to June 2002, to determine if the checks for Davis Pond oyster lease payments were disbursed and cleared in the amounts recorded.

We found no exceptions as a result of these procedures.

2. We examined supporting documentation for five months with the largest total charges and ten randomly selected months from March 1999 to June 2003, to determine if labor costs were supported as claimed and payments were made in the amounts claimed on approved invoices and other bills for the Davis Pond non-federal work in-kind credits, oyster relocations.

We found no exceptions as a result of these procedures.

3. We examined supporting documentation for the five months with the largest total charges and five randomly selected months from July 2000 to June 2003, to determine if labor costs were supported as claimed and payments were made in the amounts claimed on approved invoices and other bills for the Davis Pond non-federal work in-kind credits.

We found four minimal exceptions that totaled \$43 of possible overcharges. Information relating to the exceptions was provided to departmental personnel.

LEGISLATIVE AUDITOR

DEPARTMENT OF NATURAL RESOURCES
STATE OF LOUISIANA

Auditor's Report Dated April 7, 2004

Page 2

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on the in-kind credits or lease payments relating to the Davis Pond project, the Department of Natural Resources' financial statements, or the department's internal control. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management of the Department of Natural Resources and is not intended to be, and should not be, used by anyone other than management of the department. By provisions of state law, this report is a public document, and it has been distributed to all appropriate public officials.

Respectfully submitted,

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

Grover C. Austin, CPA
First Assistant Legislative Auditor

SLG:EFS:PEP:ss

[DNRAUP]