

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



FINANCIAL AUDIT SERVICES  
PROCEDURAL REPORT  
ISSUED MARCH 16, 2022

**LOUISIANA LEGISLATIVE AUDITOR  
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# Louisiana Legislative Auditor

Michael J. “Mike” Waguespack, CPA



Department of Public Safety and Corrections –  
Corrections Services

March 2022

*Audit Control # 80200041*

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## Introduction

The primary purpose of our procedures at the Department of Public Safety and Corrections – Corrections Services (Department) was to evaluate certain controls the Department 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 the Department’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 the Department’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 movable property, payroll expenditures, time computations, sheriff housing payments, and probation and parole fee revenue.

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## Follow-up on Prior-report Findings

We reviewed the status of the prior-report findings in the Department’s procedural report dated October 23, 2019, related to Lack of Adherence to Payroll Policy and No Required Supervisory Review of Sentence Computations. We determined that management has resolved the prior-report finding related to Lack of Adherence to Payroll Policy. The prior-report finding related to No Required Supervisory Review of Sentence Computations has not been resolved and is addressed again in this report. We did not perform procedures to follow-up on the prior-report finding related to Inadequate Controls over Inventory due to the access restrictions on visitation at the Department’s facilities imposed by the Department as a result of the COVID-19 pandemic.

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## Current-report Findings

### Inadequate Review of Time Computations

The Department does not have an adequate review process in place for time computations to ensure compliance with department policies related to application of credits and forfeitures and to ensure complete and accurate information is maintained in the Department's system (CAJUN). In a test of 90 computations worked between July 1, 2019, and December 31, 2020, we noted the following:

- Four (4.4%) of 90 computations tested had inaccurate information, based on the supporting documentation, entered in CAJUN, which may have resulted in inaccurate parole eligibility or release dates. All four of these computations were reviewed by a supervisor or other experienced staff.
  - Two errors occurred when applying credits and forfeitures to the offender's sentence term, which may have caused one offender to be released 68 days early and one offender to be released 90 days late.
  - Two errors occurred when calculating the parole eligibility dates on initial time computations. One error was manually corrected on a printed time computation, but the correction was not entered in CAJUN. This offender was subsequently released under other criteria. One error was not identified and corrected in CAJUN until nine months after the error was made. The Department identified both errors but did not correct the dates in CAJUN timely increasing the risk that the parole board committee will not be notified timely when the offender is eligible for a parole hearing.
- Twenty-five (27.8%) of 90 computations tested did not have reviewer initials or other support to indicate the change entered in CAJUN was reviewed by someone other than the preparer.

The Department does not have a formal policy that requires a review of time computations by a supervisor or other experienced staff. Although the Department has procedures in place to provide a second check of initial time computations, this process is not clearly documented in policy and is not required for time computations that apply subsequent credits and forfeitures to the offender's record. Due to the complexity of the time computation process, management should establish policies that require a timely secondary review of time computations, and policies that standardize the review process, where possible. Management concurred with the finding and provided a corrective action plan (see Appendix A, pages 1-2).

### Non-Compliance with Civil Service Rules

The Department did not follow State Civil Service Rules (CSR) or its internal policy regarding employees earning compensatory time (k-time) which resulted in k-time credited to employees for hours that were not actually worked. CSR 21.7 defines overtime for non-exempt employees in accordance with the Fair Labor Standards Act and for exempt employees as work performed by

an employee in excess of their regularly scheduled work day, work period, on holidays, or during official office closures. In addition, the Department's Pay Administration and Management policy defines overtime as work performed beyond regular work hours.

We reviewed the leave data reported for the Department in the state payroll system for the period July 1, 2019, through June 27, 2021, and identified the following:

- 24,862 hours of employees on annual leave and earning k-time for the same hours.
- 7,424 hours of employees on sick leave and earning k-time for the same hours.
- 1,305 hours of employees on COVID-19 special leave and earning k-time for the same hours.

In order to track leave requests for essential personnel, management has adopted a practice of requiring security, medical, and other essential personnel to record annual or sick leave, instead of holiday leave, when they are scheduled to work on a holiday but have requested time off that day. To offset the leave deducted from the employee's balance and compensate the employee for the holiday, management credits the employee with k-time for the regular scheduled work day. This same practice was applied during the COVID-19 pandemic when employees requested COVID-19 related special leave. As a result of this practice, employees are credited with k-time for hours that have not actually been worked which does not comply with the CSR or Department policy. In addition, although the credit to k-time in the employee's overall leave balance is offset by the reduction of annual and sick leave, these leave types have different usage and payout requirements which increases the risk of future cash payments to employees that would not otherwise be required had those employees been able to use holiday leave for the day instead of annual or sick leave.

Management should ensure that employees are only credited with compensatory time for hours actually worked and consult with State Civil Service to develop a plan for tracking the leave of essential personnel that does not result in a violation of the CSR. Management concurred in part with the finding and outlined a corrective action plan (see Appendix A, pages 3-5).

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## **Movable Property**

The Department maintains approximately \$90 million of movable property at various locations across the state. We reviewed all 19 Certifications of Annual Property Inventory submitted to the Louisiana Property Assistance Agency between May 2019 and December 2020 to determine whether inventory was performed timely and did not result in an excessive amount of unlocated property. We also obtained an understanding of internal control and tested selected items and transactions from the period July 1, 2019, through December 31, 2020, at Headquarters, Dixon Correctional Institute (DCI), Adult Probation & Parole (P&P), B.B. Sixty Rayburn Correctional Center (RCC), and Prison Enterprises. Based on the results of our procedures, the Department had adequate controls in place to safeguard movable property, accurately and timely record property in the asset management system, and comply with state movable property regulations.

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## **Payroll Expenditures**

In fiscal year 2020 and 2021, salaries and related benefits comprised approximately 54% and 56%, respectively, of the Department's expenditures. We obtained an understanding of internal control over holiday and overtime compensation and the time and attendance function. We selected and reviewed manual and/or system time and attendance records from the period July 1, 2019, through December 31, 2020, for Headquarters, DCI, P&P, RCC, and Prison Enterprises. We also reviewed overtime recorded in the payroll system from July 1, 2019, through June 30, 2021, for the entire Department. Based on the results of our procedures Headquarters, DCI, P&P, RCC, and Prison Enterprises had adequate controls in place to ensure timely review and approval of employee time and leave records but the Department did not comply with Civil Service rules or internal policy relating to overtime compensation (See Current-report Findings).

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## **Time Computations**

The Department is responsible for calculating offender release dates using the laws in effect on each offender's sentence and by applying any credits the offender is eligible to receive or applying any number of days the offender may be required to forfeit. During the period July 1, 2019, through December 31, 2020, the Department processed more than 40,000 offender time computations. We obtained an understanding of the Department's policies and controls over offender time computations and reviewed training rosters and manuals provided to staff. We also recomputed 90 of the time computations worked during the period July 1, 2019, through December 31, 2020, to determine that controls were in place to ensure the time computation was calculated in accordance with Department policy and properly updated in CAJUN. Based on the results of our procedures, the Department did not have an adequate review process in place (see Current-report Findings).

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## **Sheriff Housing Payments**

In fiscal year 2020 and 2021, the Department expended approximately \$173 million and \$157 million, respectively, for local housing, transitional work programs, and local re-entry programs for state adult offenders. We obtained an understanding of the Department's controls over local housing payments and selected payments from management's schedule of local housing audits performed during the period July 1, 2019, through December 31, 2020, for testing. Based on the results of our procedures, the Department has adequate controls in place to ensure that payments were authorized, not duplicated, supported by offender records in CAJUN and/or at the local facility, and properly recorded in the general ledger.

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## **Adult Probation and Parole Fee Revenue**

In fiscal year 2020 and 2021, the Department recorded approximately \$15 million and \$11 million, respectively, in adult probation and parole (P&P) fee revenue. We obtained an

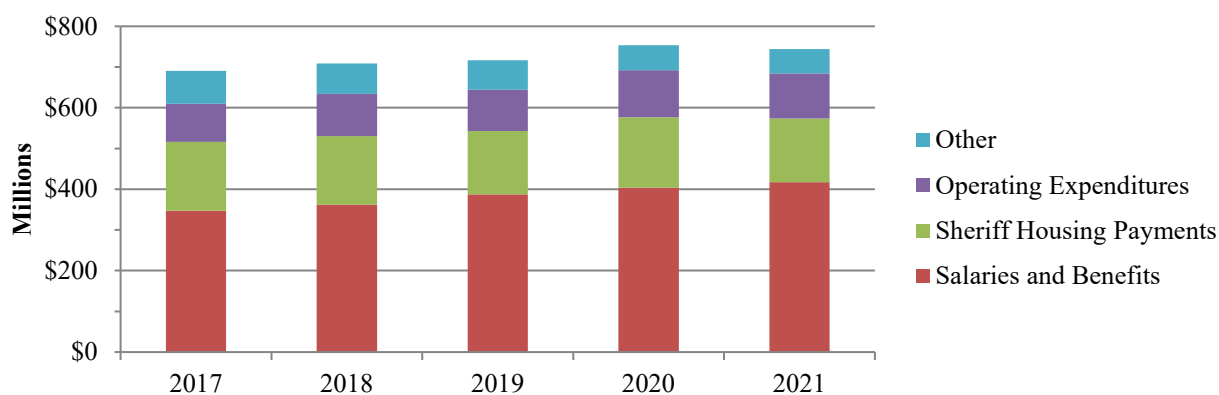
understanding of the Department’s controls over P&P fee assessment and collection, obtained a list from management of individuals under P&P supervision during the period July 1, 2019, through December 31, 2020, and tested the fees waived or assessed and collected for 73 individuals. Based on the results of our procedures, the Department has adequate controls in place to ensure that fees are properly assessed, collected and recorded in the general ledger.

## Trend Analysis

We compared the most current and prior-year financial activity using the Department’s Annual Fiscal Reports and/or system-generated reports and obtained explanations from the Department’s management for any significant variances. We also prepared an analysis of the Department’s expenditures by type (Exhibit 1) and Prison Enterprises’ operating revenues and expenditures (Exhibit 2).

Exhibit 1 presents the Department’s expenditures, by type, for the nine correctional facilities, Corrections’ Administration, Sheriff Housing, and Adult Probation and Parole. As shown in Exhibit 1, overall expenditures steadily increased from \$691 million in 2017 to \$753 million in 2020, and then declined to \$744 million in 2021, mainly due to increases in salaries and benefits which were offset by decreases in sheriff housing payments. Salaries and benefits increased from \$347 million in 2017 to \$417 million in 2021 due to market adjustments, merit increases, and increased overtime costs associated with the COVID-19 pandemic. Sheriff housing payments decreased from \$169 million in 2017 to \$157 million in 2021, mainly due to a decrease in the number of offenders housed at local facilities.

**Exhibit 1  
Expenditures, by Fiscal Year**

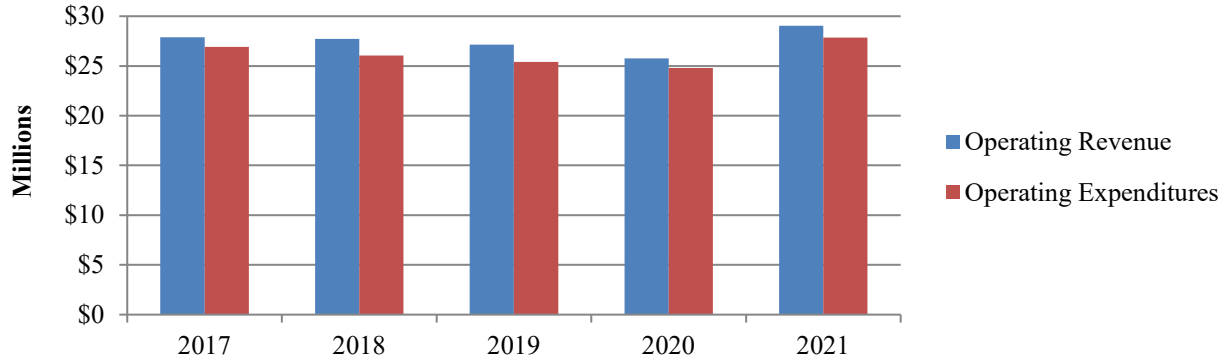


**Source:** Fiscal year 2017-2021 Annual Fiscal Reports (excludes Prison Enterprises)

Exhibit 2 presents the operating revenue and expenditures of the Prison Enterprise fund. As shown in Exhibit 2, operating revenue and expenditures remained steady between 2017 and 2019. In fiscal year 2020, operating revenue which includes sales to state agencies, non-state entities, and the Department’s facilities, declined by \$1.4 million, mainly due to the COVID-19 quarantines, office closures, and remote operations which resulted in decreased demand for goods and to a delay in

the timing of the cattle sales that normally occur in April and May but were postponed until fiscal year 2021. In fiscal year 2021, as conditions within the Department and other state offices began to return to normal operations, operating revenues increased by \$3.2 million, and operating expenditures, which includes the cost of those sales, increased by \$3 million.

**Exhibit 2**  
**Prison Enterprises**  
**Operating Revenue and Expenditures, by Fiscal Year**



**Source:** Fiscal year 2017-2021 Annual Fiscal Reports

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

Respectfully submitted,

Michael J. "Mike" Waguespack, CPA  
 Legislative Auditor

MT:DM:BH:EFS:aa

DOC 2021



## **APPENDIX A: MANAGEMENT'S RESPONSES**



# Department of Public Safety & Corrections

State of Louisiana

Office of Management and Finance

**JOHN BEL EDWARDS**  
Governor



**JAMES M. LE BLANC**  
Secretary

March 9, 2022

Michael J. "Mike" Waguespack, CPA, Legislative Auditor  
Louisiana Legislative Auditor's Office  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Waguespack:

The Department concurs with the following audit findings and has taken corrective actions to ensure that time computations are assessed by an experienced employee.

- It is important to note the complexity of the time computation process. The initial time computation regarding parole eligibility, full term release date, good time release date etc., credit for time served pretrial and applicable goodtime credits etc. must be calculated using the laws applicable at the time of the offense. Subsequent amendments to the original time computations must be made routinely and ongoing basis due to completion of CTRP courses, forfeitures due to disciplinary actions, restorations of goodtime due to appeals etc. .Each time an offender's initial time computation record is completed or otherwise revised or updated, an experienced employee and/or a supervisor conducts a secondary review of the underlying computations. This additional review process is documented into Department Regulation as well as the job description. Additionally, and since the prior audit, the Department has also created and hired five new ARDC Compliance Specialist positions. The sole function of these positions is to provide a tertiary level of review, for at minimum, 25% of all offender time calculation records statewide on a monthly basis. The Department is currently revising the applicable Department regulation to reflect the addition of these new positions and their required scope of review.
- The findings state that 4 of the 90 time computations tested had inaccurate information reflecting a 4.4% inaccuracy rate, but this number is extremely misleading as the 4 errors refer to individual data points not the entirety of the offender computation record. The 90 evaluated were 90 offender sentence calculation records, each record contains approximately **47 data point entries and manual computations**. The sentence calculation record for an offender involves a complex set of processes where countless data points must be manually entered, time computed, and evaluated based upon the applicable governing laws. Each offender's sentence calculation record is unique, and each complete sentence calculation record currently

requires an average of **47 data point entries and manual computations**. This sentence calculation record requires multiple individual time computations to calculate several dates including:

- the offender's overall sentence length/full-term completion date
- applicable credit for time served pre-trial and goodtime credits
- the good time release date,
- the parole eligibility date,
- the work release eligibility date,
- Certified Treatment Rehabilitation Program (CTRP) credits earned;
- loss of good time credits, and restoration of good time previously lost.

Additionally, if an offender is serving on multiple sentences at one time, the above dates must often be re-evaluated/re-calculated based upon the determination of the controlling offense and if the sentences are to be served consecutively or concurrently.

In the four cases cited by the auditors as containing inaccurate information, **only one underlying data point** per the offender's sentence calculation record was found to contain inaccurate information. If each offender of the 90 cases reviewed by the auditors were serving just one sentence, there would be **4230 data points to research**. 4 erroneous data points out of a total of 4230 equates to an error rate of 0.09%--not the 4.4% rate cited in the report.

- The Department is in the process of implementing a computer modernization effort with the CIPRS computer system and has contracted/began working with a private company to build an automated time computation system. This will improve the time computation process by having a customizable platform that will automate time calculations reducing a great deal of the manual entry and potential for human error, as the system will calculate the computations.
- The audit findings reflect that the Department does not have a formal policy requiring a secondary review. The Department has procedures in place for a secondary review conducted regarding all time computations and will be documenting this process into the Department Regulations.

Should you have any questions or require additional information, please contact Stacey Brown, Chief Financial Officer.

Sincerely,



James M. LeBlanc  
Secretary

# Department of Public Safety & Corrections

State of Louisiana  
Office of Management and Finance

**JOHN BEL EDWARDS**  
Governor



**JAMES M. LE BLANC**  
Secretary

November 17, 2021

Michael J. "Mike" Waguespack, CPA, Legislative Auditor  
Louisiana Legislative Auditor's Office  
P.O. Box 94397  
Baton Rouge, LA 70804-9397

Dear Mr. Waguespack:

Please accept this as the Department of Public Safety and Corrections – Corrections Services' (DPS&C-CS) response to the recent financial compliance audit conducted at the Department with regards to adherence to Civil Service Rules.

The Department concurs in part with the finding and recommendation:

The Department concurs that employees who earned a total of 1,305 hours of compensatory time for a holiday while they were on Covid-19 special leave should not have earned that compensatory time while utilizing a leave type that did not pull from the employees own leave balances. COVID-19 is a pandemic that quickly came into the country and changed the landscape of workplaces around the world and required employers to put rules and guidance in place as it related to COVID in a very short period of time. State Civil Service, the Division of Administration, the Department of Corrections and all state agencies worked very hard to ensure that employees who could not report to work due to COVID-19 were not negatively impacted. This included approving special leave for those employees who were exposed, COVID positive or otherwise could not physically report to the workplace due to COVID guidelines. Unfortunately, during any such immediate crisis or disaster event mistakes do happen and this was a mistake however, the compensatory time will be taken back for any employee who earned the k-time on a holiday while on special leave and who are still employed with the Department.

The Department does not concur that charging employees annual or sick leave on holidays when they did not report to work and then crediting them with compensatory time for their scheduled hours violated a Civil Service rule.

Civil Service rule 11.28(a) states the following:

An employee, who is required by his appointing authority to work on his official holiday, shall be entitled to compensatory leave or overtime pay benefits as authorized in Chapter 21 of these Rules.

Civil Service rule 21.7(a) under Definition of State Overtime states the following:

For purposes of calculating hours worked for STATE OVERTIME, a day off from work due to paid leave taken or a holiday observed is considered to be a day worked.

Civil Service rule 21.7(b) under Definition of State Overtime states the following:

STATE OVERTIME is work performed by an employee at the direction of the appointing authority or his designee:

1. In excess of the employee's regularly scheduled workday
2. In excess of the employee's regularly scheduled workday.
3. In excess of the employee's regularly scheduled work period.
4. On a holiday, including designated holidays
5. During official closures

We believe that our practice is in line with Civil Service rules. Rule 11.28 states that if an employee is required to work by the appointing authority on the holiday he shall be entitled to compensatory leave. The rule does not say that the employee had to physically work but that he was "required to" by the appointing authority. Each of these employees are considered essential staff and were scheduled to work and thus required to report by the appointing authority. Most importantly, Rule 21.7(a) states that for the purpose of calculating "hours worked for state overtime" that "a day off from work due to paid leave taken or a holiday is considered a day worked". Rule 21.7(b) states, in part, that state overtime is work performed....on a holiday, including designated holidays. If there is no consideration given to rule 21.7(a) which clearly states that the day off for a holiday is considered a day worked and if only 21.7(b) is considered it may appear that there was a violation however, when taken together and when 21.7(b) is read in the context with rule 21.7(a) it shows that 21.7(b) allows state overtime on a day off from work due to a holiday because the "day off" is considered to be a "day worked".

The Department's practice for essential staff who are scheduled to report to work but do not come in on a holiday is to charge the employee leave from their appropriate leave category (annual or sick) for their scheduled number of work hours and then to credit the employee with compensatory leave for the holiday for their scheduled number of hours.

Ex: A Corrections Sergeant who is scheduled to work 12 hours on the 4<sup>th</sup> of July and who calls in sick on the holiday is charged 12 hours of sick leave and, in accordance with Civil Service rule 11.28 and 21.7 is given 12 of compensatory leave for the holiday. The beginning and end result are:

July 3<sup>rd</sup> leave balance  
100 annual  
100 sick  
0 k-time  
Total Balance 200 hours

July 5<sup>th</sup> leave balance  
100 Annual  
88 Sick  
12 hours K-time  
Total Balance 200 hours

The practice on holidays at most state agencies that are not 24/7 and where employees are not considered essential is that either the timekeeper codes the employee with LH or the payroll system has LH automatically coded on the holiday. LH is a leave code that does not pull from the employees' leave balances. When LH is coded no leave is charged or credited to the employee. In the example above, if the employee had not worked on the 4<sup>th</sup> of July he would have had the same balances in the same categories on July 5<sup>th</sup> as he had on July 3<sup>rd</sup>.

The difference between DOC and other state agencies is that at the majority of other state agencies the employee would not be expected to physically report to work on the 4<sup>th</sup> of July holiday. However, as a correctional officer who is considered essential staff at DOC the employee must report to work as scheduled. The attendance and dependability of staff are foundational cornerstones of being able to run a safe and secure prison facility. Facilities must be safe and secure 365 days of the year and this includes holidays. To that end, managers and supervisors must be able to determine who is or is not reporting to work on holidays, has established a pattern of call-ins on holidays and whether or not the employee scheduled the day off with pre-approval. The Department tracks this through the coding done in the payroll system. DOC will work with Civil Service and the Office of Technology Services to see if coding can be developed to track leave on a holiday that can be done in a way that captures the information that supervisors and managers must have to manage staffing at the institution on holidays. If Civil Service cannot do a coding change, we will discuss ways to track the type of holiday leave for essential staff manually to determine if it can be done efficiently and does not create an undue burden for our already overworked supervisors and managers.

Should you have any questions or require additional information, please contact Stacey Brown, Chief Financial Officer.

Sincerely,



James M. LeBlanc  
Secretary





## APPENDIX B: SCOPE AND METHODOLOGY

We performed certain procedures at the Department of Public Safety and Corrections – Corrections Services (Department) for the period from July 1, 2019, through June 30, 2021. Our objective was to evaluate certain controls the Department 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 the Department’s Annual Fiscal Reports, and accordingly, we do not express an opinion on those reports. The Department’s accounts are an integral part of the state of Louisiana’s financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

- We evaluated the Department’s operations and system of internal control through inquiry, observation, and review of its policies and procedures, including a review of the laws and regulations applicable to the Department.
- Based on the documentation of Department’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 movable property, payroll expenditures, time computations, sheriff housing payments, and probation and parole fee revenue.
- We compared the most current and prior-year financial activity using the Department’s Annual Fiscal Reports and/or system-generated reports to identify trends and obtained explanations from the Department’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 the Department, and not to provide an opinion on the effectiveness of the Department’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.