

Plaquemines Parish Government

Parish President
Kirk M. Lepine

Randy A Duke
CPA, CIA, CIGA
Chief Internal Auditor

INTERNAL AUDIT DEPARTMENT

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Council Members

District 1 - John L Barthelemy Jr.
District 2 - William "Beau" Black
District 3 - Corey Arbourgh
District 4 - Dr. Stuart J Guey Jr.
District 5 - Benedict "Benny" Rousselle
District 6 - Trudy Newberry
District 7 - Carlton M LaFrance Sr.
District 8 - Richie Blink
District 9 - Mark "Hobbo" Cognevich

MEMORANDUM

To: Council Member Mr. Benedict "Benny" Rousselle
Chair - Audit Committee

Date: May 31, 2019

Council Member Ms. Trudy Newberry
Vice Chair - Audit Committee Member

Council Member Mr. Mark "Hobbo" Cognevich
Audit Committee Member

From: Randy A. Duke, CPA, CIA, CIGA
Chief Internal Auditor

Re: Internal Audit Review of the Elevation / Reconstruction /Acquisition Grant Project
Project No. 2019-03

Attached is the internal auditor's review of the Plaquemines Parish Government's ("PPG") Elevation / Reconstruction /Acquisition Grant Project. This internal audit review details the objectives, scope, methodology, and provides the internal auditor's observation, recommendations and conclusions.

I would like to express my appreciation to Ms. Crystal Taylor, Mr. Tommy Serpas, and Ms. Hilda Lott for their cooperation during this review.

cc: Mr. Kirk M. Lepine, President Plaquemines Parish Government;
Ms. Crystal Taylor, Director of Administration;
Mr. Tommy Serpas, Finance Manager, and
Ms. Hilda Lott, Grant Administrator.

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Grant Process Internal Audit Review Elevation / Reconstruction /Acquisition Grant Project

Project No. 2019-03

Randy A. Duke, CPA, CIA, CIGA
Chief Internal Auditor
Internal Audit Department

PPG Grant Process
Internal Audit Review

Elevation / Reconstruction /Acquisition Project

Project No. 2019-03

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EXECUTIVE SUMMARY

This executive summary represents the results of our internal audit review of the PPG ("Sub Grantee") Elevation/Reconstruction/ Acquisition grant project. Our internal audit work was limited to the review of the internal controls over the grant's invoices, payments and supporting documentation.

Observation

Observation # 1 - Ordinance No. 13-9, Resolution No. 13-114.

Background/Condition: On January 10, 2013, ORDINANCE NO. 13 - 9 was adopted. Section 2 of this Ordinance states: "Any expenditure of said funds and or approval for any project associated with said funds must be submitted to the Parish Council for approval by Ordinance or Resolution". [Attachment "A"](#).

It appears that on April 25, 2013, Resolution NO. 13-114 was adopted and does satisfy the requirements of Ordinance 13-9. Resolution NO. 13-114 states that Whereas, Ordinance 13-9 requires that any expenditure of said funds must be submitted to the Parish Council for approval by Ordinance or Resolution. Whereas, the identified eligible activities and budgets are detailed in the attachment hereto. [Attachment "B"](#).

Recommendations/Auditor's Opinion: Controls are in place. [Attachment "B"](#).

Responsibility for Action: Parish Council

Management Response: Management concurs with the Auditor's Opinion

Conclusion

In my opinion, there appears to be adequate internal controls over the invoices, payments and supporting documentation over the PPG Elevation / Reconstruction / Acquisition grant project.

Background

In accordance with the PPG Charter Section 7.08: Audit Committee and the approved Internal Audit Department's annual audit plan for 2019, I have performed an internal audit review of the controls over the PPG Elevation / Reconstruction / Acquisition grant project.

Objectives, Scope, and Methodology

Objectives

- Are controls over invoices, payments and supporting documentation in place and working properly? and,
- Is the associated financial information accurate and reliable?

Scope

The timeframe is from January 2013 thru April 2019. Evidence to support our conclusions was gathered from process narratives, inquiries of management and staff, observations, the testing of internal controls over invoices, payments and transaction source documentation.

This examination was limited in scope to the testing of controls over invoices, payments and supporting documentation.

The Internal Auditor considered the possibility of fraud, waste and abuse within the grant process.

Methodology

- To review the internal controls over twenty-four (24) Elevation, Reconstruction, Acquisition project invoices, payments and supporting documentation; and,
- To recommend internal controls to add value and improve operations.

Professional Standards

The internal audit review was conducted in accordance with the Institute of Internal Auditor's Standards for the Professional Practice of Internal Auditing, (the Red Book).

Closing Conference

A closing conference was held on Friday May 31, 2019 at 10.00 a.m. with Ms. Hilda Lott, Grant Administrator and Ms. Crystal Taylor, Director of Administration.

ATTACHMENTS

ATTACHMENT “A” Ordinance NO. 13-9

On January 10, 2013 ORDINANCE NO. 13- 9 was adopted. The following Ordinance was offered by Council Member Marinovich who moved its adoption: An Ordinance to amend the Five-Year Capital Improvements Plan for the Plaquemines Parish Hazard Mitigation Grant Program Project; and otherwise to provide with respect thereto.

Whereas, an application for funding to update the Plaquemines Parish Hazard Mitigation Plan (HMP) was submitted to Louisiana Governor's Office of Homeland Security and Emergency Preparedness (GOSHEP) through the Federal Emergency Management Agency (FEMA); and whereas, Federal Emergency Management Agency (FEMA) has increased funding for the Hazard Mitigation Grant Program (HMGP) related to Hurricane Katrina; and whereas, Plaquemines Parish has been allocated additional funding of \$31,824,256 from the Hazard Mitigation Grant Program funding; and whereas, amending the Five-Year Capital Improvements Plan by appropriating \$31,824,250 to the Hazard Mitigation Grant Program Project, funding provided by Federal Emergency Management Agency is requested; Now, therefore: Be it ordained by the Plaquemines Parish Council that:

SECTION 1. The Five-Year Capital Improvements Plan is amended by appropriating \$31,824,250 to the Hazard Mitigation Grant Program Project; funding source FEMA, funding year, 2013.

SECTION 2. Any expenditure of said funds and or approval for any project associated with said funds must be submitted to the Parish Council for approval by Ordinance or Resolution.

On June 8, 2017, ORDINANCE NO. 17-78 was adopted. The following Ordinance was offered by Council Member Rousselle who moved its adoption: An Ordinance to amend the Five-Year Capital Improvements Plan by appropriating \$4,675,826 to the Plaquemines Parish Hazard Mitigation Grant Program Project; and otherwise to provide with respect thereto. Whereas, Ordinance 13-9 appropriated monies to the Plaquemines Parish Hazard Mitigation Grant Program Project from the Federal Emergency Management Agency (FEMA); and Whereas, Plaquemines Parish Government has been awarded additional funding in the amount of \$4,675,826 from the Federal Emergency Management Agency (FEMA) for thirty (30) additional properties in the Katrina related Hazard Mitigation Grant Program Fund; and Whereas, amending the Five Year Capital Improvements Plan is requested; Now, therefore: Be it ordained by the Plaquemines Parish Council that:

SECTION 1. The Five-Year Capital Improvements Plan is amended by appropriating \$4,675,826 to the Hazard Mitigation Grant Program Project from the Federal Emergency Management Agency (FEMA); funding year 2017.

SECTION 2. The Secretary of this Council is hereby authorized and directed to immediately certify and release this Ordinance and that Parish employees and officials are authorized to carry out the purposes of this Ordinance, both without further reading and approval by the Plaquemines Parish Council.

ATTACHMENT "B" Resolution NO. 13-114

RESOLUTION NO. 13-114

On motion of Council Member Guey, seconded by Council Member Marinovich, and on roll call all members present and voting "Yes", the following Resolution was adopted:

A Resolution authorizing the Parish President to expend funds for the various projects associated with the Hazard Mitigation Grant Program; and otherwise to provide with respect thereto.

WHEREAS, Plaquemines Parish Government is a local government jurisdiction and has received Hazard Mitigation Grant Program funds; and

WHEREAS, the Plaquemines Parish Council amended the Five-Year Capital Improvements Plan via Ordinance No. 13-9 by appropriating \$31,824,250 to the Hazard Mitigation Grant Program Project on January 10, 2013; and

WHEREAS, Ordinance No. 13-9 requires that any expenditure of said funds must be submitted to the Parish Council for approval by Ordinance or Resolution; and

WHEREAS, The Governor's Office of Homeland Security and Emergency Preparedness and the Federal Emergency Management Agency have identified eligible activities; and

WHEREAS, the identified eligible activities and budgets are detailed in the attachment hereto; and

WHEREAS, the expended funds for the identified eligible activities within the Hazard Mitigation Grant Program are reimbursable to the Parish;

NOW, THEREFORE:

BE IT RESOLVED by the Plaquemines Parish Council that the ~~Parish President, being the Chief Executive Official of the Plaquemines Parish Government, is the authorized representative for the project and as such is authorized to expend the Hazard Mitigation Grant Program Funds appropriated by Ordinance No. 13-9 for the eligible activity projects identified in the attachment hereto.~~

BE IT FURTHER RESOLVED by the Plaquemines Parish Council that the Secretary of this Council is hereby authorized and directed to immediately certify and release this Resolution and that Parish employees and officials are authorized to carry out the purposes of this Resolution, both without further reading and approval by the Plaquemines Parish Council.

I hereby certify the above and foregoing to be a true and correct copy of a Resolution adopted by the Plaquemines Parish Council at a meeting held in the Plaquemines Parish Temporary Magnolia Center Building, 17563 Highway 15, Pointe-A-La-Hache, Louisiana, on Thursday, April 25, 2013.


Temporary Council Secretary

2012 Hurricane HMGP Eligible Activity Projects & Budgets

1603-075-0003	Retrofit Buildings at the Government Complex: This Project will replace roofs, doors, and windows on selected buildings at the Government Complex on F. Edward Hebert Blvd. in District 2. Thus utilized it will free up parish funding allocated for that project which can be used for remodeling etc.	\$4,118,541
1603x-075-0009	Main Street Drainage Improvements: This Project will alleviate the Main Street flooding problem during rain storms and will correct the backwash flooding problem on Main Street in District 4.	\$2,998,006
1603x-075-0010	Elevate Plaquemines Parish Roads: This Project will elevate both Hermitage Rd. in District 6 and Coast Guard Rd. in District 9. Both of these roads are critical evacuation arteries and have a history of flooding regularly.	\$7,954,489
1603n-075-0011	Good New Retention: This Project will be designed to help drain the Good News Street community in both District 2 and District 3. Good News Street has a history of flooding during a rain event and this will help alleviate that flooding.	\$1,475,535
	Infrastructure total	\$16,546,571
1603n-075-0007	Residential Pilot Reconstruction: : This Project will assist homeowners rebuild in District 2 and District 6, who were previously qualified but for whom money was not previously available, whose homes were more than 51% damaged by Hurricane Katrina.	\$356,044
1603x-075-0012	Residential Elevation, Reconstruction, Acquisitions: This Project will assist homeowners mostly in Districts 1, 6, and 7, although not relegated to any specific area, elevate their home to the new base flood elevation requirements, rebuild their home at the new base flood elevation requirements, or participate in a limited acquisition program.	\$14,921,641
	Residential Total	\$15,277,685
	Total Project Cost	\$31,824,256