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October 24, 2017

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**Audit# 2014-0001 Follow-Up Audit of Louisiana Community & Family Services, Inc.,
dated 10/30/2014**

Honorable Parish President and Honorable Council Members,

The Jefferson Parish Office of Inspector General (JPOIG) conducted a **follow-up review** of the **Audit of Louisiana Community & Family Services** (2014-0001), dated 10/30/2014. Follow-up reports monitor the implementation of recommendations previously made. The review demonstrates that of the nine (9) recommendations made, six (6) have been resolved, two (2) are resolved in part, and one (1) is unresolved.

Resolution of the remaining unresolved issues fall upon (1) JeffCAP management to continue to improve subrecipient vendor monitoring efforts and (2) Parish Finance (Accounting) to implement preventative procedures to detect missing supporting documentation prior to vendor payment. For more detailed information on the remaining issues, see Finding Numbers 1, 4 and 8.

The audit follow-up process does not require a written response. The Parish's original response is included in each finding. In the interest of facilitating positive change, we will make arrangements to meet with any recipient who may wish to discuss the follow-up report or a corrective action plan.

I appreciate the sincere and earnest efforts by the staff of the JeffCap and others in the Administration who worked with us during this effort. On 11/07/2017, the follow-up report will be published and made available to the public.

Respectfully,

A handwritten signature in blue ink that reads "David McClintock". The signature is written in a cursive style with a large initial 'D' and a long, sweeping tail.

David McClintock

OFFICE OF INSPECTOR GENERAL JEFFERSON PARISH



FOLLOW-UP OF LOUISIANA COMMUNITY & FAMILY
SERVICES, INC.

2014-0001

FOLLOW-UP REVIEW
ISSUED 10/24/2017



OFFICE OF INSPECTOR GENERAL
JEFFERSON PARISH

DAVID N. McCLINTOCK
INSPECTOR GENERAL



Date of Report: 10/24/2017	FOLLOW-UP REVIEW	Case # 2014-0001
Period of Review: 2015, 2016, 2017	Report By: Sierra Franklin	Status: Final
<u>Subject of Review</u>		
<ul style="list-style-type: none"> • Louisiana Community Development & Family Services, Inc. (LCFS) • Financial and Compliance 		
<p><u>Confidentiality Notice</u></p> <p>This confidential memorandum is issued by the Inspector General pursuant to the authority conferred by JPCO 2-155.10. It is intended for the sole use of the named recipients. It is not intended to be read, disclosed, reproduced, distributed, disseminated, in whole or in part by anyone other than the recipients. The report contains confidential information, information which would not be subject to public records request, and/or information which is subject to other agreements of confidentiality and nondisclosure.</p>		

Standards

The JPOIG conducted its follow-up audit in accordance with the Principles and Standards for the Office of Inspector General (the Green Book) and the Institute of Internal Auditor’s Principles and Standards (the Red Book).

Acronyms

The following acronyms appear in the document:

- CEA** – Cooperative Endeavor Agreement
- EIS** - Electronic Information Systems Department
- LCFS** - Louisiana Community & Family Services, Inc.
- MSCG** – Marrero Senior Citizen Guild
- PAO** – Parish Attorney’s Office
- JEFFCAP** - Jefferson Community Action Programs
- JPCO** - Jefferson Parish Code of Ordinances
- JPOIG** - Jefferson Parish Office of Inspector General
- JPPSS** - Jefferson Parish Public School System

Introduction

The Jefferson Parish Community Action Program (hereinafter “JeffCAP”) is one of four Community Service departments within Jefferson Parish. JeffCAP’s funding sources are comprised of Parish funds, state grants, and federal grants.¹ The Parish and its departments may enter into Cooperative Endeavor Agreements (CEAs) with non-profit entities to provide services

¹ JPCO 2-421 provides the “department of Jefferson Community Action Programs (JeffCAP) and the position of director of Jefferson Community Actions Programs are hereby created, which department and position shall have direct administrative supervision over Jefferson Community Actions Programs functions of the parish. JeffCap’s mission is to empower as many families of Jefferson Parish, including elderly, disabled, economically disadvantaged and youth through various programs. [Jefferson Parish - JeffCAP Departmental Page.](#)

for a public purpose.² JeffCAP administers several programs that average nearly 12 million annually. See the table below.

Program/Grant Description	2016	2017
Federal Grant Funding - CSBG - Community Services Block Grant	\$1,197,995	\$1,288,482
Federal Grant Funding - CACFP - Child and Adult Care Food Program	\$721,939	\$791,676
Federal Grant Funding - Head Start Birth-to-Five Program	\$6,299,553	\$6,411,218
CEA - JEFFCAP - Head Start Child Care Partner - Alphabet Preschool ✓	\$192,000	\$192,000
CEA - JEFFCAP - Head Start Child Care Partner - Creative Kidz ✓	\$192,000	\$192,000
CEA - JEFFCAP - Head Start Child Care Partner - Kids House of Learning ✓	\$192,000	\$192,000
Federal Grant Funding - LIHEAP - Low Income Heat & Energy Assistance Program	\$2,491,250	\$2,511,961
Federal Grant Funding - RSVP - Retired Senior Volunteer Program	\$51,066	\$51,066
Federal Grant Funding - Weatherization Program	\$565,203	Inactive
Parish Grant (Federal Funds) - Community Development Grant - Housing Counseling & Education	\$85,000	\$84,600
JeffCAP Cooperative Endeavor Agreement		
CEA - Jefferson Parish - JPPSS - Jefferson Parish Public School System* ✓	\$285,000	\$0
CEA - Jefferson Parish - Marrero Senior Citizens Guild ✓	\$7,000	\$0
Sum of (JEFFCAP) Grants	\$12,280,006	\$11,715,003
✓ Selected for testing *The CEA for Jefferson Parish Public School System is for a two year period		

The focus of the original report was the adequacy of the JeffCAP sub-grantee monitoring, specifically that of the non-profit Louisiana Community and Family Services (LCFS).³ Under the terms of the CEAs, LCFS provided summer academic enrichment programs to young men and women at Jefferson Parish community centers. Both Parish funds and federal grant funds were used to support LCFS’ activities. Parish funds were administered solely under the terms of the CEAs. Federal funding was made available to Jefferson Parish through the State of Louisiana’s Workforce Commission, Office of Workforce Development (hereinafter “LWC”). The scope and objective of the original audit considered all funding provided to LCFS based upon the subgrantee’s compliance with terms and conditions of its CEA with JeffCAP and federal grant requirements.

On 10/30/2014, the JPOIG made public a final report titled “Audit of Louisiana Community & Family Services, Inc.”, which included a response by JeffCAP management. A copy of the full report can be located at www.jpoig.net under reports.⁴

² Louisiana Constitution, Article 7, and Section 14 (C): Cooperative Endeavors. For a public purpose, the state and its political subdivisions or political corporations may engage in cooperative endeavors with each other, with the United States or its agencies, or with any public or private association, corporation, or individual.

³ [La Secretary of State Corporations Database - La Community Family Services 08/2014](http://www.la.gov/secretary-of-state/corporations-database). Last report filed 01/07/2013. Status: Not in Good Standing for failure to file Annual Report.

⁴ <http://www.jpoig.net/reports-news-info/reports-memorandums-correspondence/15-audit-of-louisiana-community-and-family-services-lcfs>

In brief, the audit period covered was 01/01/2011 – 12/31/2013. During that period, the Parish entered into three (3) separate cooperative endeavor agreements (CEA's) with the LCFS under which the LCFS received federal grant funds and parish funds. The audit resulted in nine (9) findings related to payments made to LCFS, largely due to undocumented expenditures, lack of compliance with the CEA, payments for services not provided, and the misuse of Parish property and equipment. Questioned funds totaled \$136,739.

This report assesses corrective actions taken by JeffCAP management since the issuance of the original report against compliance criteria where applicable.

OBJECTIVES, SCOPE, AND METHODOLOGY

Objective

The primary objective of the follow-up review is to determine if the Parish, specifically the management of JeffCAP, has effectively implemented the recommendations in the JPOIG audit report #2014-0001 dated 10/30/2014. Additionally, the follow-up will also evaluate the efficiency and effectiveness of the implementation.

Scope and Methodology

To accomplish our objectives for the follow-up, the JPOIG conducted interviews with JeffCAP management to determine what corrective action plans have been effectively implemented since the issuance of the original report. The JPOIG also reviewed active Parish CEAs with non-profits during the period 01/01/2015 through 05/31/2017.

This follow-up review includes an assessment of JeffCAP's fiscal and program monitoring activities for subrecipients, in order to:

- Identify supporting documentation that demonstrates the subrecipient incurred costs prior to reimbursement by the Parish. Evaluation includes the assessment of system used by both JeffCAP and the Parish to monitor form of payments, checks or cash, between grantees to third-party vendors.
- Assess whether specific and enforceable terms related to compliance with federal grant requirements were included within Parish CEAs and other contracts. Evaluation includes the assessment of monitoring activities, plans, and outcomes listed in selected CEAs.
- Assess the Parish's uniform monitoring system for consistency. Evaluation includes (1) policies and procedures within JeffCAP to ensure compliance with federally funded programs and JPCO §2-925.1 and (2) the efficiency and effectiveness of the Parish's checklist system used for compliance and enforcement of JPCO 2-925.1, Cooperative Endeavor Agreements with Non-Governmental Organizations.
- Assess presence and sufficiency of written progress reports and certifications required of subrecipients and contractors. Evaluation includes an assessment of available documentation/attestations evidencing communication with grant recipients regarding Parish and state ethics requirements.
- Assess the EIS Department's tracking and tagging system for Parish owned or funded equipment. The evaluation includes a focus on the systems used for monitoring subrecipient purchases of fixed assets with certain grant and Parish funds.

The JPOIG's audit applied established audit procedures. See Attachment A. The JPOIG selected a total of five (5) agencies with a CEA administered by JeffCAP. The two (2) agencies listed below provide services under separate and distinct programs. Testing was performed on all payment transactions made between 01/01/2015 - 05/31/2017 to Marrero Senior Citizens Guild and Jefferson Parish School Systems. The JPOIG also reviewed and testes the monitoring activities performed by JeffCAP management and the associated transaction reimbursement reports.

- Marrero Senior Citizens Guild: The Parish entered into an agreement on 06/23/2015 with Marrero Senior Citizens Guild, a 501(C)3 not-for-profit corporation. The purpose of the agreement was to increase services and enhance welfare and livelihood of the senior citizens in Jefferson Parish through the services provided by the Marrero Senior Citizens Guild.
- Jefferson Parish School Systems: The Parish entered into an agreement on 08/18/2016 with Jefferson Parish Public School Systems. The purpose of the agreement was to facilitate funding to two (2) classrooms in the Grand Isle and Barataria/Lafitte areas that met the needs of the low-income families that may not be served due to the lack of transportation and availability of early childcare resources.

The following three subrecipients are paid \$1,000 per month for each eligible child (or mother and child in pre-natal programs) attending the head start programs. The subrecipients submit monthly invoices (supported by attendance records) to JeffCAP for payment. The OIG selected 3 monthly invoices and enrollment records for each subrecipient between the dates of 01/01/2016 to 12/31/2016 for the CEA's in place under the Headstart programs.

The Parish entered into three (3) separate agreements on 09/16/2016 to provide education, parent involvement and nutrition services for children ages birth – five (5) years old, which will improve the quality of life for children and citizens of Jefferson Parish. The individual agreements were with the following Headstart providers:

- Alphabet Preschool
- Creative Kidz
- Kids House of Learning Inc.

FOLLOW-UP RESULTS

Results are presented in the order in which they appeared in the original report. Three (3) potential categories of compliance with corrective action are possible:

1. Resolved - The Department/Parish/Entity has implemented actions that have, or should if implemented; resolve the core findings/concerns noted in the original report.
2. Resolved, in part - The Department/Parish/Entity has implemented actions in response to the audit but the actions do not fully address the findings/concerns raised in the original report.
3. Unresolved – The Department/Parish/Entity has not implemented actions that resolve the core findings/concerns noted in the original report and/or rejected the recommendation in the original report.

Finding #1	Reimbursements to LCFS may be considered gratuitously alienated.
JPOIG Recommendation	<p>The JPOIG recommends that the Parish establish guidelines to ensure CEAs include documentation quantifying the benefit it receives from expending public funds.</p> <p>The documentation should be attached to all CEAs to exhibit that the Parish has a demonstrative, objective, and reasonable expectation of receiving at least equivalent value in exchange of public funds.</p> <p>The Parish should incorporate such documentation in its CEAs to ensure funds are not considered gratuitously alienated.</p> <p>Additionally, we recommend that the Accounting Department only approve reimbursement if appropriate supporting documentation such as receipts are submitted.</p>
Parish Response	<p>“The Parish Attorney’s Office developed a questionnaire to further assist Departments in CEA creation and to further facilitating compliance with JPCO 2-925.1. In 2014, JEFFCAP began directly utilizing the questionnaire in working with its possible vendors to ensure that any proposed agreement meets the requisite standards for a CEA.”</p> <p>“...JEFFCAP has implemented a checklist system which will serve as a means of verifying and documenting the basis for approval of all pay requests submitted to the Accounting Department.”</p>
Validation Results	<p>Resolved - Reviewed both active CEAs between JeffCAP and its subrecipient vendors and determined that there were established guidelines in place to ensure CEAs include documentation quantifying the benefit received from expense of public funds. Each CEA had the documentation attached.</p> <p>Resolved, In Part - Reviewed 100% of the reimbursements for the selected subrecipient vendors and determined that in two instances the Accounting Department did not prevent the disbursement to a subrecipient when certain supporting documentation was not provided as support by JeffCAP. The JPOIG noted two missing receipts for \$200 and additional \$60 that were omitted from the disbursement documentation.</p> <p>Unresolved -The JPOIG also noted that JeffCAP implemented a new “Reimbursement Submittal Form” to aid monitoring staff review and approval of supporting expense documentation submitted by external agencies. This new form was implemented for one of the selected grant recipients, Marrero Senior Citizens Guild. No such forms were used for the Jefferson Parish Public School Systems, Alphabet Preschool, Creative Kidz, or Kids House of Learning Inc.</p>
Conclusion	<p>Resolved, in Part- The JPOIG recommends that JeffCAP implement a uniform method of reviewing supporting documentation for reimbursement, such as the Reimbursement Submittal Form used for Marrero Senior Citizens Guild. Additionally, the JPOIG recommends that Parish Finance (Accounting) implement procedures that will preventatively detect missing supporting documentation. The JPOIG also recommends that Parish Finance require the</p>

	requesting department to correct the documentation deficiencies and resubmit the necessary paperwork prior to disbursing funds.
Finding #2	Terms in the CEA were not adequately monitored or enforced by the Parish.
JPOIG Recommendation:	<p>The JPOIG recommends that the Parish incorporate accountability in its monitoring process by assigning an individual in the associated department to monitor compliance with each CEA. All CEAs should incorporate a plan to monitor compliance by including information such as:</p> <ol style="list-style-type: none"> (1) the monitoring department and individual; (2) a list of detailed deliverables that would assist in ensuring compliance with contract terms; and (3) performance metrics to ensure reasonable implementation of the agreement. <p>The deliverable section of the agreement should include specific documentation request such as, but not limited to:</p> <ol style="list-style-type: none"> (1) a list of salaried teachers and proof of experience; (2) copies of the students' completed pre-test/post-test assessments; and (3) copies of timesheets.
Parish Response:	<p>The Parish agreed to:</p> <ul style="list-style-type: none"> • Incorporate, as necessary, specific and enforceable terms into CEAs and other contracts to ensure compliance with federal grant requirements. • Implement policies and procedures within departments to ensure compliance with uniform requirements (e.g., OMB Circ. A-122) and grant requirements (e.g., CSBG) for all federally funded programs and services. • Provide department directors and assigned personnel with access to a current copy of the applicable OMB Circulars (OMB A-87, OMB A-122) and the CSBG Act, or other applicable laws and Regulations. • Provide training and resources to directors and key staff. • Develop standard forms to document and record program related activities, including fiscal matters. • Require written progress reports from subrecipients and contractors. • Require “true and accurate” certification by contractors/vendors together with invoices and supporting documentation of actual costs. • Implement weekly, monthly, and/or quarterly monitoring activities. • Prepare and disseminate a written monitoring plan that requires the use of a standardized form for data collection. • Assign all monitoring duties to one (1) staff person. <p>The Parish PAO’s office also assigned Assistant Parish Attorneys to specific Parish departments to serve as general counsel to each Director and department.</p>

<p>Validation Results</p>	<p>Resolved – The JPOIG reviewed the CEAs of five selected subrecipients and determined each contained a specific and enforceable compliance clause. The JPOIG noted that the JeffCAP monitoring process involves assignment of a dedicated staff person (The Assistant Executive Director) who now has the responsibility of monitoring all subrecipient activities and performance. These duties include the creation of a monitoring plan for each subrecipient and action on the elements of the plan throughout the fiscal year. The JPOIG validated training for JeffCAP directors and key staff on OMB A-122 compliance for subrecipients was provided.</p> <p>The JPOIG validated that each subrecipient monitoring plan included the identity of the department/individual monitor, a focus on detailed deliverables and specific annual performance metrics.</p> <p>The five (5) CEAs reviewed included requirements for detailed deliverables, and specific documentation requirements, for example:</p> <ul style="list-style-type: none"> (1) a detailed list of services performed (2) an itemized account of time spent during that calendar month for each such service
<p>Conclusion</p>	<p>Resolved</p>

Finding #3	LCFS issued improper payments to immediate family members.
JPOIG Recommendation	<p>The JPOIG recommends:</p> <ol style="list-style-type: none"> (1) that the Parish assign responsibility of monitoring compliance to an individual within each department. The monitor would then be tasked with reviewing vendor information prior to submitting reimbursement request to accounting. (2) Accounting should disallow reimbursement for cash payments without a reasonable paper trail, and/or over a dollar threshold. (3) That the Parish better communicate expectations and responsibilities to organizations receiving Parish funds and state and local pass through funds. Viable options may include requiring non-governmental organizations to attend a training session for awardees or prepare an online presentation regarding ethics, financial accountability, and other Parish expectations and attest to their understanding and agreement. Regardless of the vehicle of choice an attestations from those accountable should be received prior to a final award.
Parish Response	<p>“In 2013, the Parish implemented enhancements to governing ordinances to ensure accountability, to protect the integrity of public funds and to create sound enforcement mechanisms, i.e. affidavits.</p> <p>For example, JPCO Section 2-988 provides procedures for sanctions against any parish contractor who violates or causes an ethics violation. Additionally, the Parish will seek opportunities to offer subrecipients technical assistance and resources to ensure effective communication of the terms and provisions of the CEA, subject to the parameters established by the State’s ethics laws.”</p> <p>“As a preventative measure, JeffCAP and the Accounting Department will require that all payment requests for incurred expenses identify whether the payment was made by check and/or cash, verified by supporting documentation.”</p>
Validation Results:	<p>Resolved – The JPOIG determined that JeffCAP assigned responsibility of monitoring compliance to a designated individual. The individual is tasked with establishing standard guidelines for deliverables for each subrecipient, performing periodic monitoring of same, and reviewing vendor information prior to the submission of payment requests to accounting.</p> <p>The JPOIG noted that JeffCAP offered subrecipients technical assistance and resources to ensure effective communication via periodic meetings to discuss the status of deliverables. In addition, JeffCAP used mechanisms such as a standardized monitoring plan and a subrecipient questionnaire for tracking each subrecipient’s compliance with their respective CEA. The standardized monitoring plan and subrecipient questionnaire is discussed and completed with each subrecipient as part of the grant award process.</p>
Conclusion:	Resolved

Finding #4	The Parish’s accounting department approved payments of \$42,558 without obtaining receipts or proof of payment. The Parish’s accounting department did not maintain proper controls for reviewing and approving invoices and receipts for payment.
JPOIG Recommendation	<p>The JPOIG recommends that the Parish Accounting Department incorporate a required review of receipts into its review and approval process. The department should only authorize payment after substantiating the propriety of expenses through receipts and other adequate documentation proving the expenses were incurred.</p> <p>Additionally, the Finance Department should ensure proof of payment within 7 days of receipt of funds by assigning the responsibility of monitoring proof of payment for advance service invoices to personnel within the department. This individual should maintain a log of payments issued based on advance service invoices to assist in ensuring it receives proof of payment within 7 days of disbursement of funds.⁵</p>
Parish Action Plan	“Jefferson Parish has procedures and policies in place for approval of pay requests, and is currently in the process of refining such policies and procedures. Additionally, the Parish will work with its departments to implement a checklist system to verify and document compliance and enforcement of JPCO Section 2-925.1. As well as develop a system to monitor and track proof of payment.”
Validation Results	Resolved, in part - Reviewed the 100% of the reimbursements for both subrecipient vendors and determined that the Accounting Department did not review all the reimbursements to ensure that appropriate supporting documentation, such as invoices and receipts, were submitted with all requests. JeffCAP has implemented policies and procedures whereby payments to subrecipient vendors are made on a reimbursement basis.
Conclusion	Resolved, in part- The JPOIG continues to recommend that the Parish Finance (Accounting) Department implement procedures that will preventatively detect lack of supporting documentation. The JPOIG also recommends that Parish Finance require the requesting department to correct the documentation deficiencies and resubmit the necessary paperwork prior to disbursing funds. The JPOIG has reviewed the Accounts Payable “payment processing table” which is used as a guide for documentation requirements. However, since CEAs can be unique and specific, the JPOIG recommends that once a CEA is ratified, and a vendor number is established, that Accounting staff should develop a CEA checklist specific to that vendor and the terms of the CEA. Further, accounting should enforce those requirements by returning deficient payment requests to the initiating department until adequate documentation is provided.

⁵ Code of Ordinance for Jefferson, Louisiana §2-925.1(b)(2)(ii): In the event of payment by the parish of advance service invoices, the non-governmental entity recipient shall provide parish affirmative proof of payment of the invoices within seven (7) days of receipt of funds from the parish.

Finding #5	Payments of \$61,372 did not have adequate proof of payment as expenses were paid in cash; \$5,369 of the \$61,372 claimed cash payments were related to a fictitious invoice created by LCFS.
JPOIG Recommendation	The JPOIG recommends that the Parish require the use of electronic payments for expenses over a dollar threshold for all grantees unless there has been prior justification and approval.
Parish Action Plan	“The Accounting Department has an electronic payment system in place, and is currently in the process of reviewing such system.”
Validation Results	Resolved – The Parish Accounting department has implemented procedures to prohibit all forms of cash payments, and has specific procedures for petty cash reimbursements. JeffCAP has implemented procedures to ensure that subrecipients maintain adequate books, records and provides adequate documentation for all payments requested. The JPOIG reviewed of all types of payments from 01/01/2016 to 05/31/2017 that confirmed the only form of payments made by JeffCAP to subrecipients were in the form of a check or an Automated Clearing House (ACH) payment.
Conclusion	Resolved

Finding #6	LCFS commingled its public and private funds. Consequently, the JPOIG noted \$136,739 in questionable expenses.
JPOIG Recommendation	The JPOIG recommends that the Parish require its grant recipients to maintain separate bank accounts. Additionally, the Parish should require the entities to sign an attestation prohibiting the comingling of public and private funds.
Parish Action Plan	“Since the violation, enhancements to governing ordinances were enacted in 2013 to ensure accountability, to protect the integrity of public funds and to create sound enforcement mechanisms. Subsequently, the revised 2013 sample standard CEA, associated with JPCO Section 2-925.1, contains a provision which subjects subcontractors to financial auditing and review of its accounts and records.”
Validation Results	Resolved – The JPOIG determined that the Parish does not specifically require its grant recipients to maintain separate bank accounts, nor does the Parish require the entities to sign an attestation prohibiting the comingling of public and private funds. However, the Parish does require the subcontractor to maintain adequate books and records and reserves the right to audit these records. The JPOIG confirmed that these clauses have been added to the JeffCAP CEAs as standard terms. The JPOIG also reviewed all subrecipient vendors under contract with JeffCAP and validated that Parish funds are only remitted to subrecipient vendors on a reimbursement basis. This mitigates the need for separate bank accounts.
Conclusion	Resolved

Finding #7	LCFS inappropriately used Parish equipment. LCFS purchased 3 laptops from Best Buy and requested reimbursement for the expenses.
JPOIG Recommendation	<p>The JPOIG recommends that the Parish aim to achieve optimal use of all Parish property purchased through non-parish entities by monitoring the acquisition and usage of such equipment. Additionally, the Parish should coordinate the acquisition of IT equipment through one of the following methods:</p> <p>The Parish’s Electronic Information Systems (hereinafter “EIS”) department should create a list of basic requirements and approved computer specifications needed in order for the computer equipment to qualify for reimbursement. The Parish should requisition the computers through one of the following processes:</p> <ol style="list-style-type: none"> 1. Provide the non-parish entity with a list of basic requirements and computer specifications that must be used to qualify for reimbursement. The purchase request must be approved by the monitoring department prior to the purchase of the equipment. The monitoring department is responsible for ensuring the computer specifications complies with the list of basic requirements created by EIS. Reimbursements can only be processed if computers meet basic requirements and computer specifications, and if the request was approved by the applicable department prior to the purchase of the computer equipment. 2. Assign responsibility of procuring the computers with the monitoring department. The monitoring department should procure the items through the Parish’s purchasing department. The computers purchased must meet the specifications provided by EIS. Once procured, the purchase price of said computers are subtracted from the non-parish entities existing funds. <p>In addition to the procedures mentioned above, the OIG recommends that all Parish equipment is inventoried and tagged by the EIS department. The monitoring department should check-out computers from EIS for release to the non-parish entity, and check the computers back in to EIS once custody is returned to the Parish. Prior to the purchase of new computers, the monitoring department should be responsible for checking with EIS to see if any computer equipment is available for the program.</p>
Parish Response	“The Parish will work with its Electronic Information System (EIS) Department to further refine its existing tracking and tagging system to guard against any unauthorized or misuse of equipment purchased with parish funds. In addition, the Parish will coordinate with EIS to adopt best practices for each individual department program needs.”
Validation Results	Resolved - The JPOIG reviewed the current policy for fixed assets and determined that there is notification to the Accounting Department's Asset Accountant of purchases by a non-parish entity. The Asset Accountant issues a 5-digit asset ID number. For assets such as laptops, the EIS Department performs the initial setup and ensures that proper Parish firewalls are in place.
Conclusion	Resolved

Finding #8	LCFS lacked controls and documentation around its financial accounting process.
JPOIG Recommendation	The JPOIG recommends that the Parish require its grant recipients to maintain an accounting system, as well as submit its financial statements to the Parish for review. The requirements should be incorporated into the CEA, and the terms should be [en]forced by the monitoring personnel. An accounting system would assist the Parish in monitoring expenditures, and assist the grant recipients in maintaining controls around its financial operations.
Parish Response	“The revised 2013 sample standard CEA, associated with JPCO Section 2-925.1, contains Provision which requires that a subrecipient, at the time of the agreement, avail itself to the Parish’s monitoring and audit controls applicable to the service provided. The Parish will continue to ensure that the terms of its CEA are enforced.
Validation Results	Unresolved –The JPOIG reviewed all active vendor CEAs for JeffCAP subrecipients and determined that the CEA included the above referenced language. However, JeffCAP’s monitoring process does not include a requirement for the subrecipient to submit annual financial statements or other process to permit review of the annual financial statements for potential going concerns.
Conclusion	Unresolved – The JPOIG recommends that JeffCAP require that subrecipient vendors submit annual financial statements, and incorporate a review of same as part of its monitoring process.

Finding #9	The Parish Council funded LCFS for services provided prior to the contract agreement. The Parish Council approved funding to LCFS for which there was no CEA in place at the time services were provided.
JPOIG Recommendation	The JPOIG recommends that the Parish does not enter into contract agreements with private entities that would not allow the Parish to monitor the performance or controls of the services provided. As such, the Parish should only enter into CEAs with entities for upcoming services. This control would allow the Parish to ensure the administration is properly evaluating the reimbursement request and monitoring the performance of services as they are being provided.
Parish Response	“Jefferson Parish’s efforts to strengthen monitoring and enforcement of contract provisions, in conjunction with its plan to implement additional procedures to effectively communicate CEA terms, will ensure that any vendor, at the time of the agreement avails itself to the Parish’s monitoring controls applicable to the service provided.”
Validation Results	Resolved – The JPOIG reviewed current accounting procedures which indicate that payments shall not be made without supporting documents, i.e. contracts, CEA’s receipts, etc. The JPOIG also reviewed all of the active CEAs between JeffCAP and its subrecipients (five (5) in number). All five (5) subrecipients had a CEA in place before the onset of funding.
Conclusion	Resolved

Attachment A

Audit procedures established to validate the implementation of each recommendation were as follows:

- Reviewed CEAs and other contracts for specific and enforceable terms related to compliance with federal grant requirements. JPCO §2-925.1 - Cooperative endeavor agreements with non-governmental organizations.
- Reviewed supporting documentation related to the distribution of Parish grant funds for evidence that the expenditure amounts were incurred.
- Performed an assessment of the Parish's system to monitor and track proof of payments, and analyzed supporting documentation of payments made to third-party vendors (sub-grantees).
- Reviewed the Parish's uniform monitoring system for consistency in Parish-wide monitoring of programs.
- Reviewed policies and procedures within the JeffCAP department related to ensuring compliance with grant requirements for all federally funded programs and services,
- Performed an assessment of the efficiency and effectiveness of the Parish's implementation of its checklist system related to the compliance and enforcement of the Cooperative Endeavor Agreements with Non-Governmental Organizations.
- Reviewed the presence and sufficiency of written progress reports from subrecipients and contractors, certifications by contractors/vendors, and invoices and supporting documentation of actual costs.
- Performed an assessment of available documentation/attestations evidencing communication with grant recipients regarding Parish and state ethics requirements.
- Reviewed the tracking and tagging system for controls of Parish equipment purchased as part of a third party grant.

Audit Procedures



Attachment A

Audit procedures established to validate the implementation of each recommendation were as follows:

- Reviewed CEAs and other contracts for specific and enforceable terms related to compliance with federal grant requirements. JPCO §2-925.1 - Cooperative endeavor agreements with non-governmental organizations.
- Reviewed supporting documentation related to the distribution of Parish grant funds for evidence that the expenditure amounts were incurred.
- Performed an assessment of the Parish's system to monitor and track proof of payments, and analyzed supporting documentation of payments made to third-party vendors (sub-grantees).
- Reviewed the Parish's uniform monitoring system for consistency in Parish-wide monitoring of programs.
- Reviewed policies and procedures within the JeffCAP department related to ensuring compliance with grant requirements for all federally funded programs and services,
- Performed an assessment of the efficiency and effectiveness of the Parish's implementation of its checklist system related to the compliance and enforcement of the Cooperative Endeavor Agreements with Non-Governmental Organizations.
- Reviewed the presence and sufficiency of written progress reports from subrecipients and contractors, certifications by contractors/vendors, and invoices and supporting documentation of actual costs.
- Performed an assessment of available documentation/attestations evidencing communication with grant recipients regarding Parish and state ethics requirements.
- Reviewed the tracking and tagging system for controls of Parish equipment purchased as part of a third party grant.