



***U.S. DEPARTMENT OF COMMERCE
Office of Inspector General***



***National Telecommunications
and Information Administration***

***Louisiana Public Safety
Interoperable
Communications Grant PSIC
Award No. 2007-GS-H7-0014***

***Final Audit Report
No. DEN-19427/July 2009***

FOR PUBLIC RELEASE

Denver Regional Office of Audits





Why We Did this Review National Telecommunications and Information Administration

On September 30, 2007, the National Telecommunications and Information Administration (NTIA) awarded a \$19,672,287 Public Safety Interoperable Communications (PSIC) grant to the state of Louisiana to enhance interoperable emergency communications. NTIA required a minimum 20 percent matching share from nonfederal sources for the acquisition and deployment of communications equipment, and management and administration costs. The award period runs from October 1, 2007, to September 30, 2010, by which time all funds must be expended. The governor of Louisiana designated the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) as Louisiana's state administrative agency to apply for and administer PSIC funds.

We audited costs claimed by GOHSEP to determine whether the recipient complied with NTIA PSIC grant guidelines and the Department of Homeland Security (DHS) award terms and conditions.

Background

The Digital Television and Public Safety Act of 2005 authorized NTIA, in consultation with the DHS, to implement the PSIC program—a \$1 billion one-time, formula-based matching grant program intended to enable public safety agencies to establish interoperable emergency communications systems using reallocated radio spectrum.

The Implementing Recommendations of the 9/11 Commission Act of 2007 requires the Commerce Inspector General to conduct financial audits, over 4 years, of a representative sample of at least 25 states or territories receiving PSIC grants. The Louisiana grant program is our first audit under this requirement.

Louisiana Public Safety Interoperable Communications Grant PSIC Award No. 2007-GA-H7-0014 (DEN-19427)

Our audit covered the award period of October 1, 2007, through December 31, 2008, during which time GOHSEP claimed total costs of \$7,749,964. In general, we found GOHSEP to be in compliance with requirements and on track to complete the project on time.

Specifically, GOHSEP has

- prepared an investment justification describing how the grant funds would be used to improve interoperable communications and ensure interoperability with other public safety agencies. It anticipates completing all investments on schedule by the September 30, 2010, PSIC program deadline;
- met the minimum 20 percent matching share requirement in place from nonfederal sources for acquiring and deploying interoperable equipment, and managing and administering the projects, as required by The Digital Television Transition and Public Safety Act, the *PSIC Program Guidance and Application Kit*, and the award's special conditions;
- complied with grant terms and conditions by improving the timeliness of its financial reporting, complying with the cash drawdown requirement of drawing down funds 30 days prior to expenditure or a disbursement, and complying with the 80 percent pass-through requirement by passing through \$16.7 million, about 85 percent, of the \$19.7 million of PSIC federal funds to 64 parishes; and
- claimed costs of \$7,749,964 in its December 31, 2008, financial status report, which were determined reasonable, allowable, and allocable according to PSIC grant regulations.

We made no formal recommendations in our report, but did suggest ways to further enhance internal controls:

- During our fieldwork, we recommended that GOHSEP's interoperability program office record the matching share in its grant management system. (This recommendation was implemented prior to the end of our fieldwork.)
- Although our review of GOHSEP's financial status reports determined two of five reports were not submitted within the required 30 days of the end of the quarter, its last three financial status reports were submitted in a timely manner. We encourage GOHSEP to continue this pattern of timely financial reporting.



UNITED STATES DEPARTMENT OF COMMERCE
Office of Inspector General

Washington, D.C. 20230

JUL 24 2009

MEMORANDUM FOR: Anna M. Gomez
Deputy Assistant Secretary for Communications
and Information
National Telecommunications and Information Administration

FROM: Dr. Brett M. Baker
Assistant Inspector General for Audit

SUBJECT: Final Audit Report No. DEN-19427
Auditee: Louisiana Governor's Office of Homeland Security
and Emergency Preparedness
PSIC Award No. 2007-GS-H7-0014

Attached is a copy of our final audit report of the Louisiana Public Safety Interoperable Communications (PSIC) award. Since there are no recommendations in the audit report, no further action is needed and an agency Audit Resolution Proposal is not required. A copy of the report will be posted on OIG's Web site pursuant to section 8L of the Inspector General Act of 1978, as amended.

If you have any questions regarding this report, please call John S. Bunting, our Denver regional inspector general for audits, at (303) 312-7650 and reference the final audit report number above in any related correspondence.

Attachment

cc: Milton Brown, NTIA audit liaison
Kathy Smith, NTIA chief counsel
Laura Pettus, PSIC program manager



UNITED STATES DEPARTMENT OF COMMERCE
Office of Inspector General

Washington, D.C. 20230

JUL 24 2009

Mr. Brant Mitchell
Assistant Deputy Director
Interoperability
Louisiana Governor's Office of Homeland Security and Emergency Preparedness
7667 Independence Boulevard
Baton Rouge, LA 70806

Dear Mr. Mitchell:

Enclosed is a copy of final audit report DEN-19427, prepared by our Denver Regional Office concerning the Public Safety Interoperable Communications (PSIC) grant awarded to your agency (award number 2007-GS-H7-0014) by the National Telecommunications and Information Administration (NTIA).

Your response to the draft audit report has been incorporated into the final report. Since there are no recommendations in the final report, no further action is needed.

We appreciate the cooperation and courtesies extended by you and your staff during the audit. The report, along with your response, will be posted on OIG's Web site pursuant to section 8L of the Inspector General Act of 1978, as amended.

Sincerely,

Dr. Brett M. Baker
Assistant Inspector General for Audit

Enclosure

cc: Laura M. Pettus, NTIA PSIC program manager
Carolyn P. Dunn, DHS/FEMA Grant Programs Directorate
Steven J. Theriot, Louisiana legislative auditor



UNITED STATES DEPARTMENT OF COMMERCE
Office of Inspector General

Washington, D.C. 20230

JUL 24 2009

Mr. W. Ross Ashley
Assistant Administrator
Grant Programs Directorate
FEMA
500 C Street, S.W.
Washington, D.C. 20472-3615

Dear Mr. Ashley:

Enclosed is our final audit report (DEN-19427) regarding Public Safety Interoperable Communications (PSIC) grant award number 2007-GS-H7-0014, which was awarded by the National Telecommunications and Information Administration (NTIA) to the Louisiana Governor's Office of Homeland Security and Emergency Preparedness.

A copy of the report will be posted on OIG's Web site pursuant to section 8L of the Inspector General Act of 1978, as amended.

If you have any questions regarding this report, please call John S. Bunting, our Denver regional inspector general for audits, at (303) 312-7650 and reference the final audit report number above in any related correspondence.

Sincerely,

Dr. Brett M. Baker
Assistant Inspector General for Audit

Enclosure

cc: Richard L. Skinner, DHS inspector general
Carolyn Dunn, DHS/FEMA Grant Programs Directorate
Bradley A. Shefka, DHS audit liaison
Gina Norton, FEMA audit liaison
Penny McCormack, FEMA audit liaison
Mildred Lloyd, DHS/FEMA Grant Programs Directorate audit liaison
Mike Sivi, DHS OIG Grants Management

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INTRODUCTION

On September 30, 2007, the National Telecommunications and Information Administration (NTIA) awarded a \$19,672,287 Public Safety Interoperable Communications (PSIC) grant to the state of Louisiana to enhance interoperable emergency communications. NTIA required a minimum 20 percent matching share, or \$4,833,072, from nonfederal sources for the acquisition and deployment of communications equipment, and management and administration costs. The award period runs from October 1, 2007, to September 30, 2010, by which time all funds must be expended.

The governor of Louisiana designated the Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) as Louisiana's state administrative agency (SAA) to apply for and administer PSIC funds¹.

Public Safety Interoperable Communications Grant Program

The Digital Television and Public Safety Act of 2005 authorized NTIA, in consultation with DHS, to implement the PSIC program—a \$1 billion one-time, formula-based matching grant program intended to enable public safety agencies to establish interoperable emergency communications systems using reallocated radio spectrum.

NTIA signed a memorandum of understanding with DHS, under which DHS oversees and administers the PSIC program.

The Implementing Recommendations of the 9/11 Commission Act of 2007 requires the Commerce Inspector General to conduct financial audits, over 4 years, of a representative sample of at least 25 states or territories receiving PSIC grants. The Louisiana grant program is our first audit under this requirement.

In October 2008, we initiated an audit of costs claimed by GOHSEP to determine whether the recipient complied with NTIA PSIC grant guidelines and the Department of Homeland Security (DHS) grant special conditions. The audit covered the award period of October 1, 2007, through December 31, 2008, during which time the recipient claimed total costs of \$7,749,964. In general, we found the recipient to be in compliance with requirements and on track to complete the project on time.

¹ The PSIC program requires the governor of each state and territory to designate an SAA to apply and administer PSIC funds. Administrative agencies are required to pass through no less than 80 percent of the total award amount to local or tribal governments or authorized nongovernmental public safety agencies, unless the local entity opts, via written agreement, to have the state agency retain and spend the funds on its behalf. Grantees must meet a 20 percent nonfederal match for acquisition and deployment.

FINDINGS AND RECOMMENDATIONS

I. Investment Justification’s Individual Investments Are on Schedule

GOHSEP prepared an investment justification, as instructed in NTIA’s *PSIC Investment Justification Reference Guide*, describing how the grant funds would be used to improve interoperable communications and ensure interoperability with other public safety agencies. The investment justification described three individual investments (see table 1) that would achieve meaningful and measurable improvements in interoperability and fill gaps in the statewide communications interoperability plan.

Table 1. Investment Justification and Funding

PSIC Investment Justification	PSIC Funds Awarded	Nonfederal Match	Total
Portfolio Summary			
1. Expansion of the Statewide Project 25 (P25) System Infrastructure Network	\$10,082,119	\$2,483,030	\$12,565,149
2. Expansion of P25 Users Through Acquisition of Subscriber Units and Consoles	7,000,000	1,712,500	8,712,500
3. Emerging Technologies – Internet Protocol-Based Broadband Mesh Network	2,000,000	490,000	2,490,000
Management and Administration	590,168	147,542	737,710
Total	\$19,672,287	\$4,833,072	\$24,505,359

Source: GOHSEP investment justification

The PSIC program requires investment justifications to include plans for establishing a strategic technology reserve (STR) of interoperable communications equipment pre-positioned for immediate deployment during emergencies or disasters. States were permitted to request a waiver for this requirement if they could demonstrate they already had such a reserve or that other PSIC project proposals represented a higher priority for public safety communications. GOHSEP was able to demonstrate it had STR capability and requested a waiver, which NTIA approved. On July 24, 2008, NTIA approved its investment justification. GOHSEP management anticipates completing all three investments by the September 30, 2010, PSIC program deadline. Since GOHSEP is making satisfactory progress toward completing its individual investments, we are not making any recommendations.

Investment 1: Expansion of the Statewide P25 System Infrastructure Network

What Is P25?

Project 25 (P25) is a set of national standards for manufacturing interoperable, digital, two-way wireless communications products. Radio equipment that meets P25 standards can communicate with any other P25 system, regardless of vendor, enabling users of different systems to talk via direct radio contact.

Source:
www.project25.org/modules.php?name=Content&file=viewarticle&id=3

This investment has two projects. The first project will expand the existing P25 system infrastructure by procuring 22 additional 700MHz voice repeaters to provide communications coverage in central and northern Louisiana.

GOHSEP has purchased and received all 22 repeaters. Nineteen were installed and operational as of December 31, 2008. The Federal Communications Commission issued special temporary authorization licenses for the sites covered by the voice repeaters and all other sites on the 700MHz system. The remaining repeaters are

scheduled for completion by June 30, 2009, giving Louisiana 95 percent reliability for P25 portable radio coverage in its southern parishes and 95 percent mobile radio reliability in the central and northern parishes.

The second project is for constructing a new tower in Jefferson Parish to enhance interoperable communications infrastructure for Jefferson, Plaquemines, Saint Bernard, and Orleans parishes, and thus greatly expand user access. During our fieldwork, we were informed that Jefferson Parish was waiting for bids to construct the tower, which will be located in New Orleans East, and for NTIA approval of the programmatic environmental assessment. Though the project is on schedule for the PSIC program 2010 completion deadline, significant delays in NTIA approval could derail its progress.



Proposed site for Jefferson Parish PSIC Communications tower (superimposed in white outline)

Investment 2: Expansion of P25 Users Through Acquisition of Mobile Radios and/or Dispatch Consoles

Louisiana issued \$7 million in PSIC subgrants to 64 parishes and state agencies for the purchase of portable or mobile 700MHz radios and/or dispatch consoles. The subgrantees are using contracts to procure this equipment and expect to complete all procurements by December 2009.

Investment 3: Emerging Technologies Internet Protocol-Based Broadband Mesh Network

This investment will provide Louisiana with a dedicated and secure 802.11x radio broadband public safety network. GOHSEP is reviewing various vendor products and plans to issue a request for proposal in July 2009, with anticipated completion of the entire project by March 2010.

II. GOHSEP Met Minimum 20 Percent Matching Share Requirement

GOHSEP had the required minimum 20 percent matching share in place from nonfederal sources for acquiring and deploying interoperable equipment, and managing and administering the projects, as required by The Digital Television Transition and Public Safety Act, the *PSIC Grant Program: Program Guidance and Application Kit*, and the award's special conditions.

GOHSEP's interoperability program office records grant activity in a separate grant management system from its accounting system. We found that the matching share was not recorded in this system. During our fieldwork, we recommended that the interoperability program office record the matching share in its grant management system, and it implemented the change prior to the end of our fieldwork.

NTIA's *PSIC Grant Program: Program Guidance and Application Kit*, section VI (B), requires the match be expended at the same rate as the federal share. As of December 31, 2008, GOHSEP had expended \$7,749,964 in federal funds, but had not spent any matching funds. However, in January 2009, GOHSEP provided documentation that showed the entire cash match required under the award was fully expended.

III. GOHSEP Has Complied with Grant Terms and Conditions

A. GOHSEP Has Improved the Timeliness of Financial Reporting

We reviewed the financial status reports (Standard Form-269) GOHSEP filed for the period October 2007 through December 2008, and found that two of five reports were not submitted within the required 30 days of the end of the quarter (see table 2). The *PSIC Program Guidance and Application Kit* states that these reports must be submitted for every quarter during which the award is active, including partial quarters and periods that have no grant activity. Louisiana submitted its last three financial status reports in a timely manner. We encourage GOHSEP to continue this pattern of timely financial reporting.

Table 2. Financial Status Report Submissions

Reporting Period	Date Report Filed	Report Due Date	Days Late
10/1/2007 – 12/31/2007	2/11/2008	1/30/2008	12
1/1/2008 – 3/31/2008	5/6/2008	4/30/2008	6
4/1/2008 – 6/30/2008	7/28/2008	7/30/2008	0
7/1/2008 – 9/30/2008	10/24/2008	10/30/2008	0
10/1/2008 – 12/31/2008	1/16/2009	1/30/2009	0

Source: GOHSEP Financial Status Reports

B. GOHSEP Complied with Cash Drawdown Requirement

The *PSIC Program Guidance and Application Kit* also required that funds may only be drawn down 30 days prior to expenditure or a disbursement. We reviewed GOHSEP's PSIC cash drawdowns as of December 31, 2008, which totaled \$7,749,964, and found them in compliance.

C. GOHSEP Complied with 80 Percent Pass-Through Requirement

GOHSEP passed through \$16.7 million, about 85 percent, of the \$19.7 million of PSIC federal funds to 64 parishes (see table 3).

States are also required to pass through PSIC funds to local applicants within 60 days after the approval of the investment justification. Twenty of the parishes receiving pass-through funds for the expansion of the P25 system (Investment 1) requested in writing that the state procure equipment on their behalf and formalized the arrangement in memorandums of understanding (MOUs).

Table 3. Pass-Through of PSIC Funds

	Funds Passed Through to Parishes	Pass-Through Funds Retained by State Via MOUs	Total Funding Passed Through to Parishes	PSIC Funds Retained by the State	Total Federal Funds
Investment 1	\$1,200,000	\$7,911,185	\$9,111,185	\$970,933	\$10,082,118
Investment 2	5,950,000	0	5,950,000	1,050,000	7,000,000
Investment 3	1,600,000	0	1,600,000	400,000	2,000,000
M&A Costs				590,169	590,169
Total	\$8,750,000	\$7,911,185	\$16,661,185	\$3,011,102	\$19,672,287
Percent	45	40	85	15	100

Source: GOHSEP Documents

Our examination of GOHSEP's source documents verified the 80 percent pass-through requirement within 60 days had been met. GOHSEP retained \$2.4 million to complete statewide projects, \$.6 million for management and administration costs, and \$7.9 million to make Investment 1 procurements on behalf of the 20 parishes.

IV. Reasonable and Allowable Costs Were Claimed

GOHSEP claimed costs of \$7,749,964 in its December 31, 2008, financial status report. We reviewed the costs claimed and determined they were reasonable, allowable, and allocable according to PSIC grant regulations. See appendix C for the details of our analysis.

V. Follow-Up on Prior Audit Recommendations

As part of our audit, we reviewed the results of Louisiana's OMB Circular No. A-133 audit for the year ended June 30, 2007, and the state auditor's management letter to GOHSEP, dated April 9, 2008. Although the PSIC program was not included in the audit report, we were interested in whether the audit identified any issues that could have a material effect on the PSIC grant program. We identified three such issues:

1. *Federal reporting requirements.* GOHSEP failed to timely submit required federal financial reports for other federal grant funds. We reviewed GOHSEP's filing of financial status reports for the PSIC grant and determined that GOHSEP filed the first two of its five financial reports late, but the three most recent reports were filed timely.
2. *Subrecipient monitoring requirements.* GOHSEP did not comply with subrecipient monitoring requirements for one of its federal grant programs. Management failed to adequately stress the importance of obtaining, reviewing, and providing a timely follow-up on OMB Circular No. A-133 audits of its subrecipients. We were unable to test whether GOHSEP was in compliance with this requirement for PSIC subrecipients. Requests for reimbursement from PSIC subrecipients began at the end of 2008, and OMB Circular No. A-133 audit reports for FY 2008 were not completed by the end of our fieldwork for PSIC subrecipients. We were encouraged to see that GOHSEP has a grant monitoring protocol in place to determine if audits are scheduled and conducted in compliance with OMB Circular No. A-133. The monitoring also identified the total federal expenditures for the subrecipient for the previous year.
3. *Moveable property regulations.* GOHSEP did not maintain adequate internal control over movable property by not tagging property with original acquisition costs of \$1,000 or more. We reviewed training equipment obtained with PSIC funds and found that it was properly tagged. We also reviewed GOHSEP's grant monitoring forms for two of its subrecipients receiving PSIC funds. The grant monitoring forms addressed the need of inventory tags on equipment.

VI. GOHSEP Best Practices

GOHSEP has a comprehensive policy and procedure in place for monitoring subrecipients: it conducts “desk” reviews from the office using a checklist to ensure that all documentation is complete and up-to-date, and that any apparent problems are addressed. It also visits each parish receiving grant funds every grant cycle to examine equipment purchases and location, as well as training records. GOHSEP provided us with documentation for office and on-site monitoring visits made to two PSIC grant subrecipients.

Louisiana’s investment justification underwent a program and peer review as required by the PSIC program and was found to demonstrate strong evidence of close relationships among state and local stakeholders. Reviewers noted that the investment justification reflected a well-coordinated effort across the state and strategic program management to support sustainable programs. They described it as well written and well reasoned, and recommended it as a model for other states.

Generally speaking, GOHSEP’s documentation of PSIC funding and spending was in very good order, which helped expedite the audit process. GOHSEP’s assistant deputy director and the communication systems manager for interoperability were both prepared and well organized. The assistant deputy director gave a presentation on preparing for a PSIC audit at the DHS 2008 Grant Program Directorate National Conference on December 16, 2008.

SUMMARY RESULTS OF FINANCIAL AUDIT

The results of our interim cost audit for the period October 1, 2007, through December 31, 2008, (detailed in appendix C) are summarized as follows:

Federal Funds Disbursed		\$7,749,964
Costs Incurred	\$7,749,964	
Less: Questioned Costs	<u>0</u>	
Costs Accepted	\$7,749,964	
Less Matching Share	<u>0</u>	
Federal Funds Earned		<u>7,749,964</u>
Refund Due the Government		<u>\$ 0</u>

**SUMMARY OF GOHSEP'S RESPONSE
AND OIG COMMENTS**

GOHSEP stated in its response to our audit report that it immediately implemented the recommendation to track the required state match in its programmatic management tool, in addition to tracking it in the state financial system. We were able to verify this during our fieldwork at GOHSEP and consider this issue resolved.

GOHSEP also noted that it has instituted internal procedures to monitor submissions of required federal reports. GOHSEP's initial financial status reports for reporting its progress for the PSIC program were filed late. Louisiana's last three reports were filed timely, and the internal control procedure GOHSEP established to monitor submissions of required federal reports indicates that it has the proper controls in place to continue to submit timely reports.

APPENDIX A: OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of our audit was to determine whether the Louisiana Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) was using its grant funds in accordance with federal requirements. In particular, we assessed whether GOHSEP (1) is on track to complete its interoperable communications investments by September 30, 2010; (2) met the minimum 20 percent match for acquiring and deploying interoperable communications equipment; (3) claimed reasonable and allowable costs under the award; and (4) complied with grant terms and conditions.

We selected the state of Louisiana for an audit because it was among the first states in our representative sample to drawdown PSIC funds as of October 2008.

The audit scope included a review of costs claimed during the award period of October 1, 2007, through December 31, 2008. We conducted our fieldwork in October 2008 at the GOHSEP office in Baton Rouge, Louisiana.

To meet our objectives, we did the following:

- reviewed investment documentation and discussed each investment with agency officials
- analyzed source documents related to the minimum 20 percent match for acquiring and deploying interoperable communications equipment
- traced costs claimed to source documentation
- interviewed GOHSEP officials, including the Louisiana state legislative auditor, and reviewed the state's OMB Circular No. A-133 audit report for the year ending June 30, 2007
- reviewed pertinent laws, regulations, and guidance (listed below) against GOHSEP's PSIC activities and internal controls

We also reviewed the following laws/regulations:

- Section 3006 of the Digital Television Transition and Public Safety Act of 2005, Public Law 109-171
- Call Home Act of 2006, Public Law 109-459
- Implementing Recommendations of the 9/11 Commission Act of 2007, Public Law 110-53
- *PSIC Grant Program Guidance and Application Kit*, August 16, 2007
- NTIA PSIC Grant Program Allowable Cost Matrix
- NTIA PSIC Grant Program Frequently Asked Questions
- OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*
- OMB Circular A-133, Compliance Supplement, CFDA 11.555;
- DHS Grant Special Award Conditions
- *Department of Commerce Financial Assistance Standard Terms and Conditions*

- Department of Homeland Security, Office of Grant Operations, *Financial Management Guide*

We verified the validity and reliability of computer-processed data supplied by GOHSEP by directly testing data against supporting documentation. Based on our tests, we concluded the computerized data was reliable for use in meeting our objectives.

This audit was performed under the authority of the Implementing Recommendations of the 9/11 Commission Act of 2007, the Inspector General Act of 1978, as amended, and Department Organization Order 10-13, August 31, 2006, and in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

APPENDIX B: SUMMARY OF SOURCE AND APPLICATION OF FUNDS

**LOUISIANA GOVERNOR'S OFFICE OF HOMELAND SECURITY AND
EMERGENCY PREPAREDNESS
PUBLIC SAFETY INTEROPERABLE COMMUNICATIONS
GRANT NO. 2007-GS-H7-0014
OCTOBER 1, 2007, THROUGH DECEMBER 31, 2008**

	<u>Approved Budget</u> (a)	<u>Receipts & Expenses</u> (b)
<u>SOURCE OF FUNDS:</u>		
Federal	\$19,672,287	\$7,749,964
Nonfederal	<u>4,833,072</u>	<u>0</u>
Total	<u>\$24,505,359</u>	<u>\$7,749,964</u>

APPLICATION OF FUNDS:

Investment 1	\$12,565,149	\$7,594,132
Investment 2	8,712,500	147,020
Investment 3	2,490,000	0
M&A Costs	<u>737,710</u>	<u>8,812</u>
Total	<u>\$24,505,359</u>	<u>\$7,749,964</u>

Notes:

- (a) The approved budgeted costs are for the period of October 1, 2007, through September 30, 2010, based on Louisiana's approved investment justification.
- (b) The receipts and expenses are for the period of October 1, 2007, through December 31, 2008.

APPENDIX C: SUMMARY OF FINANCIAL/COMPLIANCE AUDIT

**LOUISIANA GOVERNOR'S OFFICE OF HOMELAND SECURITY AND
EMERGENCY PREPAREDNESS
PUBLIC SAFETY INTEROPERABLE COMMUNICATIONS
GRANT NO. 2007-GS-H7-0014
OCTOBER 1, 2007, THROUGH DECEMBER 31, 2008**

<u>Description</u>	<u>Approved Budget</u>	<u>Costs Claimed</u>	<u>Results of Audit</u>	
			<u>Costs Questioned</u>	<u>Costs Accepted</u>
Investment 1	\$12,565,149	\$7,594,132	\$0	\$7,594,132
Investment 2	8,712,500	147,020	0	147,020
Investment 3	2,490,000	0	0	0
M&A Costs	<u>737,710</u>	<u>\$8,812</u>	<u>0</u>	<u>8,812</u>
Total	<u>\$24,505,359</u>	<u>\$7,749,964</u>	<u>\$0</u>	<u>\$7,749,964</u>
Federal Funds Disbursed			\$7,749,964	
Costs Incurred		\$7,749,964		
Less: Questioned Costs		<u>0</u>		
Costs Accepted		7,749,964		
Less: Matching Share		<u>0</u>		
Federal Funds Earned			<u>7,749,964</u>	
Refund Due the Government			<u>\$0</u>	

APPENDIX D: RECIPIENT RESPONSE



BOBBY JINDAL
GOVERNOR

State of Louisiana
Governor's Office of Homeland Security
and
Emergency Preparedness

MARK A. COOPER
DIRECTOR

June 9, 2009

DENVER REGIONAL OFFICE

JUN 11 2009

OIG/OFFICE OF AUDITS
DEPT OF COMMERCE

Mr. John S. Bunting, Regional Inspector General for Audits
United States Department of Commerce
Office of Inspector General
Denver Regional Office of Audits
999 18th Street, Suite 765
Denver, Colorado 80202-2499

RE: Audit report number Den-194270900001

Dear Mr. Bunting:

Louisiana's Governor's Office of Homeland Security and Emergency Preparedness (GOHSEP) have experienced many changes as it continues to mature as a new stand alone state agency since March 2006. Every audit and review provides guidance to help GOHSEP meet its goals and objectives in the world of Homeland Security and Emergency Management. GOHSEP appreciates your office reviewing our processes and procedures in relation to the laws, federal regulations, policies and federal state agreements. GOHSEP takes our responsibility of grant management, monitoring our applicants and reviewing and responding to audit findings very seriously.

We use audits such as this to help us improve our processes. The recommendations that you have made will be reviewed and implemented. As you are aware, GOHSEP immediately implemented the recommendation to track the required state match in our programmatic management tool in addition to tracking in our state financial system. Additionally, the SF 269, CAPR and BSIR reports continue to be completed on time as we have instituted internal procedures to monitor submission of required federal reports.

We would like to thank you and your staff for the time you spent with us and for the courteous manner in which you conducted this audit. We also appreciate the recommendations you discussed with our staff, and will use these as we go forward with the grant administration.

John S. Bunting
Page 2
June 9, 2009

I look forward to an open line of communication between our offices to address any issues further that may arise. Feel free to contact me at 225-925-7332.

Sincerely,



Brant Mitchell

BM:GAS:cld

cc: Laura Pettus, PSIC Program Manager
Carolyn Dunn, Grant Programs Directorate
Mark Cooper, Director