

LOUISIANA RECOVERY AUTHORITY

State Independent Auditing Contract and Recovery Expenditures Website Resolution

Overview: Resolution to request the Louisiana Recovery Authority Board to urge and request the Division of Administration to enter into a contract to secure independent auditing services and for the development of a recovery expenditures website in an expeditious manner, and to request the Louisiana Recovery Authority Board to endorse the display and promotion of the recovery expenditures website developed by the Division of Administration by the Louisiana Recovery Authority.

EXECUTIVE SUMMARY

Community Development Block Grant (CDBG) funds have been awarded to the state of Louisiana by Congressional appropriation through the United States Department of Housing and Urban Development to fund the Road Home Housing Program. The state will receive more than \$12 billion of assistance in CDBG, Hazard Mitigation, Social Services Block Grant, and other recovery-related funds. These dollars will assist the state in its recovery efforts and will be crucial to the state's ability to bring Louisiana citizens back home in a timely manner. Due to the magnitude of the task before the state and the enormous amount of federal assistance received, it is imperative that the state's expenditures are transparent and readily accessible to the public at large and that all recovery-related expenditures are monitored to ensure that the funds are used for their intended purpose in accordance with all federal and state laws, rules, and regulations.

Governor Blanco has consistently pledged during her administration to support ethical and transparent government operations. To ensure that the Governor's expectations are a reality during this time of recovery and unusually large state expenditures, the assistance of an independent auditing firm is necessary. This firm can complement the work already completed by the Legislative Auditor and the Inspector General. The Legislative Auditor and Inspector General have worked vigorously with state and local government entities to secure maximum federal reimbursement by reviewing contracts, requests for reimbursement, and other supporting financial documentation. Their review and oversight have been of utmost importance to the state's success in getting reimbursement for allowable recovery and disaster-related expenses. The necessity of an independent auditing firm to provide oversight and monitoring of the billions of dollars that Congress has awarded the state is now apparent. As the state gears up to begin implementation of the Road Home Housing Program, having an independent auditing firm on board to assist the state in the task of monitoring voluminous expenditure records and program activities will help the Governor ensure that all expenditures are prudent. This firm should also ensure that the state's administration of recovery programs is efficient and effective.

In addition to the need for an independent auditing firm, it is also recognized that the public must be kept abreast of the state's activities. Not only must the state be accountable to the federal government, its funding source, but the state must also be answerable to the people of Louisiana. The public at large can benefit from a website that will provide up-to-date information on recovery-related expenditures throughout the state. This website should highlight the different types of funds

received and should outline and track how those funds are actually being spent. Such a website will equip the public with accurate and timely information, thereby, fostering a level of public trust that will reduce the anxiety and skepticism many Louisiana citizens attach to large government expenditures.

The importance of the independent auditing contract and the recovery expenditures website is immeasurable and it is imperative that the Louisiana Recovery Authority support their development in the very near future.

RECOMMENDATION

It is recommended that the following resolution be adopted:

NOW, THEREFORE, BE IT RESOLVED, that the Louisiana Recovery Authority Board urges and requests the Division of Administration to enter into a contract to secure independent auditing services and for the development of a recovery expenditures website in an expeditious manner.

Be It Further Resolved, that the Louisiana Recovery Authority Board endorses the display and promotion of the recovery expenditures website developed by the Division of Administration by the Louisiana Recovery Authority.