

Report Highlights

**Agricultural Research and
Extension Center**
Southern University System

January 2004

Louisiana Legislative Auditor



The Southern University Agricultural Research and Extension Center (SUAREC) was created on July 1, 2001, to house Southern University's existing research and extension functions at one campus. Before the creation of the SUAREC, the research function was located on the Southern University Baton Rouge campus. The extension function was administratively located under the Southern University System. The SUAREC is the fifth campus of the Southern University System. This audit examines whether the SUAREC has effectively implemented and managed its activities to identify and meet client needs.

Audit Results

IDENTIFICATION OF CLIENT NEEDS

- ◆ **The SUAREC's administration has not required or conducted a formal needs assessment and does not consistently get input on needs from extension agents or clients.** Without such a process, management will not be able to effectively identify and target the needs of its clients.

ORGANIZATIONAL STRUCTURE

- ◆ **Extension and research at the SUAREC lack communication and coordination.** Until research and extension begin operating as one cohesive unit, all necessary information will not be consistently and effectively disseminated to clients.

OVERALL MANAGEMENT OF ACTIVITIES

- ◆ **The SUAREC's management could not readily provide a list of all research and extension projects conducted in fiscal year 2003.** The SUAREC's Administration cannot manage effectively if it does not know the projects that it is responsible for overseeing.
- ◆ **Many SUAREC research projects have questionable value.** Without useful research projects, the SUAREC cannot effectively serve its clients.
- ◆ **The SUAREC has been managing its projects without reliable financial data.** Without timely access to accurate financial data, management cannot maintain appropriate control over funds or plan effectively.
- ◆ **The SUAREC's management did not ensure that all resources were adequately maintained and used to serve the needs of clients.** By not maintaining or using its resources, SUAREC has not served its clients to its full potential and is jeopardizing its ability to serve those clients in the future.
- ◆ **The SUAREC's management has not established and maintained a reliable inventory system to ensure control over assets.** Without such a system, SUAREC cannot maintain control over or accountability for its assets.

Has the SUAREC effectively implemented and managed its activities to identify and meet client needs?

WHAT WE FOUND

Identification of Client Needs

- ◆ The SUAREC administration has not required or conducted a formal needs assessment and does not consistently get input on needs from extension agents and clients.
 - SUAREC administrators agreed that they need to conduct a formal needs assessment.
 - SUAREC administrators did not obtain information regarding client needs from the majority of Agriculture extension agents.
 - SUAREC administrators obtained informal feedback from the Home Economics extension agents.

Organizational Structure

- ◆ Extension and research at the SUAREC lack communication and coordination.
 - Little interaction existed between research and extension staff at the SUAREC.
 - The SUAREC has not made use of the extension specialists at the Louisiana Cooperative Extension Service, and this lack of coverage has contributed to extension agents not receiving the results of research and general agricultural information.

Overall Management of Activities

- ◆ The SUAREC management could not readily provide a list of all research and extension projects conducted in fiscal year 2003.
 - SUAREC administrators had difficulty identifying specific projects that were conducted in fiscal year 2003 and the resources related to those projects.
- ◆ Many SUAREC research projects have questionable value.
 - Several research project managers questioned the need for their projects.
 - Extension agents informed us that they had concerns regarding the value of SUAREC research projects conducted in fiscal year 2003.
 - A SUAREC administrator stated that 10 of the 14 research projects were either questionable or needed further review to determine value.

- ◆ The SUAREC has been managing its projects without reliable financial data.
 - SUAREC administrators cannot obtain accurate financial data for individual projects. Therefore, they cannot tell us how much they spent on each project.
 - Project-specific financial data cannot be provided in part because large amounts of federal and state funds are pooled, and Southern University's accounting system does not provide a way to allocate these pooled funds to specific SUAREC projects.
- ◆ The SUAREC management did not ensure that all resources were adequately maintained and used to serve the needs of clients.
 - Several buildings at the SUAREC's research farm recently had to be condemned and demolished because of their poor condition. In addition, offices at the barn are unusable as illustrated below.



Existing Unusable Office at Research Farm

- Mold and moisture problems in A. O. Williams Hall, (a two-year-old facility costing \$7.5 million) have resulted in research labs being shut down, scientists having to contract out lab work, and \$646,000 worth of equipment that cannot be used.



Equipment in Lab Affected by Moisture Problems in A. O. Williams Hall



Mold in A. O. Williams Hall

- We also found that 13 other labs in A. O. Williams Hall were not used during fiscal year 2003 because of lack of projects to conduct in them.
- The SUAREC spent nearly \$450,000 on equipment that has never been used for SUAREC projects and approximately \$775,000 on equipment in an underutilized television studio that was used for only four SUAREC projects.



Underutilized Television Studio



At Least \$8,000 Worth of Equipment in Lab Unopened for Two Years

- ◆ The SUAREC management has not established and maintained a reliable inventory system to ensure control over assets.
 - SUAREC staff had difficulty providing complete and accurate listings of inventory used to conduct projects during fiscal year 2003.



Example of Untagged Equipment in SUAREC Television Studio

RECOMMENDATIONS

- ✓ The SUAREC should develop and implement a formal ongoing process to identify the needs of its clients. This process should include feedback from extension agents and the various advisory committees located in the various parishes in the state. They should also ensure that the process is ongoing in case their client base changes and/or the needs of this client base changes. Such a process should drive program and project development and implementation. Management should document exactly how this process will be conducted. Guidelines and instructions could be placed in the operating policies and procedures that the SUAREC administrators are developing.
 - ✓ The SUAREC administration should formalize and implement a process to ensure that research and extension operate as a cohesive unit by improving communication. The process should include either converting existing extension specialists to concentrate in agricultural topics or making use of the agricultural specialists that already exist in the Louisiana Cooperative Extension Service. These specialists should ensure that extension agents are aware of current research projects and receive the results of ongoing and completed research projects. This process could include regular meetings, mailings, and teleconferences. The existing technology at the SUAREC television studio could be used for teleconferencing.
 - ✓ The SUAREC administrators should ensure that they have a thorough knowledge of the projects and resources they are to manage. They should create and maintain a listing of actual projects conducted and the employees responsible for them.
 - ✓ The SUAREC should formally reevaluate each current research project to determine if it has value and will provide a benefit for the clients of SUAREC. This process should be documented and include input from the extension agents and advisory committees throughout the state. If there are no relevant advisory committees for a project in the parishes in which SUAREC has extension agents, the SUAREC should determine if these committees exist in the Louisiana Cooperative Extension Service and seek input from those committees.
- ✓ The SUAREC management should develop and implement a formal ongoing process to assess who their clients are and where they are located. Included in this evaluation should be a review of the current location of SUAREC extension agents to determine if they are strategically located to best serve SUAREC clients.

- ✓ The SUAREC should meet with the Southern University Comptroller to determine what skills are necessary to ensure that SUAREC administrators can access accurate accounting information in a timely manner. Training should then be provided to the SUAREC by the Comptroller’s Office to address necessary skills.
- ✓ The SUAREC and the Southern System Office should develop a Memorandum of Understanding that sets out the financial and accounting responsibilities of each entity to ensure that SUAREC has access to accurate accounting information in a timely manner.
- ✓ The SUAREC and the Southern University System should meet and develop together a mechanism for allocating expenditures from the state and federal pooled accounts to specific projects.
- ✓ The SUAREC and the Southern System Office should take immediate action to address the mold and moisture issue in A. O. Williams Hall. The SUAREC should hire a professional to evaluate the extent of the mold damage and contamination and create a plan for removing the mold. The situation should be addressed immediately because the mold may be causing significant damage to A. O. Williams and equipment. In addition, the situation is slowing down work and posing a potential liability to the SUAREC and state.
- ✓ The SUAREC administrators should create an overall resources allocation plan that spells out how to best allocate resources where they are most needed. Proper allocation should ensure that buildings, rooms, and equipment are maintained and usable. Proper planning will ensure that equipment is bought when needed. This plan should address the deteriorating condition of the research farm. Also, the SUAREC should plan for the possible influx of \$7 to \$8 million annually from the desegregation agreement between the SUAREC and Louisiana State University.
- ✓ The SUAREC management should develop and implement a system to ensure that all inventory is accounted for and tagged. This system should include coordinating with the appropriate entity at the Southern University System responsible for tagging and tracking inventory. Complete and accurate listings of inventory should be maintained and easily accessible by SUAREC staff.
- ✓ The SUAREC management should reevaluate all existing inventory to determine if it is properly tagged.

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STATE OF LOUISIANA

**Southern University
Agricultural Research and
Extension Center**
Baton Rouge, Louisiana

January 2004



LEGISLATIVE AUDITOR

DIRECTOR OF PERFORMANCE AUDIT

David K. Greer, CPA, CFE

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Has the SUAREC effectively implemented and managed its activities to identify and meet client needs?

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January 28, 2004

The Honorable Donald Hines,
President of the Senate
The Honorable Joe R. Salter,
Speaker of the House of Representatives

Dear Senator Hines and Representative Salter:

This report contains the results of our performance audit of the Southern University Agricultural Research and Extension Center (SUAREC). The audit was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended.

The report contains our findings, conclusions, and recommendations. Appendix D contains the SUAREC's response to the audit. I hope this report will benefit you in your legislative decision-making process.

Sincerely,

Grover C. Austin, CPA
First Assistant Legislative Auditor

GCA/dl

[SUAREC04]



Office of Legislative Auditor

Performance Audit Southern University Agricultural Research and Extension Center Executive Summary

This audit examines the activities that Southern University Agricultural Research and Extension Center's (SUAREC) conducted to meet the needs of its clients in the state fiscal year ending 2003. The SUAREC was created in July 2001, and according to SUAREC officials, it is in its early stage of development. Because of the numerous management deficiencies identified in the areas presented below, we found that the SUAREC has not effectively implemented and managed its activities to identify and meet client needs.

Identification of Client Needs

- The SUAREC's administration has not required or conducted a formal needs assessment and does not consistently get input on needs from extension agents or clients. Without such a process, management will not be able to effectively identify and target the needs of its clients.

Organizational Structure

- Extension and research at the SUAREC lack communication and coordination. Until research and extension begin operating as one cohesive unit, all necessary information will not be consistently and effectively disseminated to clients.

Overall Management of Activities

- The SUAREC's management could not readily provide a list of all research and extension projects conducted in fiscal year 2003. The SUAREC's administration cannot manage effectively if it does not know the projects that it is responsible for overseeing.
- Many SUAREC research projects have questionable value. Without useful research projects, the SUAREC cannot effectively serve its clients.
- The SUAREC has been managing its projects without reliable financial data. Without timely access to accurate financial data, management cannot maintain appropriate control over funds or plan effectively.
- The SUAREC's management did not ensure that all resources were adequately maintained and used to serve the needs of clients. By not maintaining or using its resources, SUAREC has not served its clients to its full potential and is jeopardizing its ability to serve those clients in the future.
- The SUAREC's management has not established and maintained a reliable inventory system to ensure control over assets. Without such a system, SUAREC cannot maintain control over or accountability for its assets.

Introduction

Audit Initiation and Objective

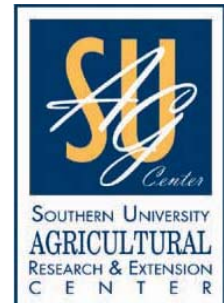
This performance audit was conducted under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. Louisiana Revised Statute 24:522 requires, in part, that the legislative auditor establish a schedule of performance audits to ensure that at least one performance audit is completed and published for each executive department within a seven-year period beginning with the 1997-98 fiscal year. In accordance with this requirement, the Office of Legislative Auditor developed a plan scheduling a performance audit of Southern University (SU) for the state fiscal year 2003. This audit was approved by the Legislative Audit Advisory Council on February 27, 2002. The focus of our audit is the Southern University Agricultural Research and Extension Center (SUAREC). Appendix A contains our audit scope and methodology.

Our audit objective was to answer the following question:

- Has the SUAREC effectively implemented and managed its activities to identify and meet client needs?

Overview of the SUAREC

The overall mission of the SUAREC is to conduct basic and applied research and disseminate information to the residents of Louisiana in a manner that is useful in addressing their scientific, technological, social, economical and cultural needs. The center generates knowledge through its research section and disseminates information through its extension section to all residents, with particular emphasis on those who are socially, economically, and educationally disadvantaged. The SUAREC is comprised of four sections, which are listed below along with a brief description of each.



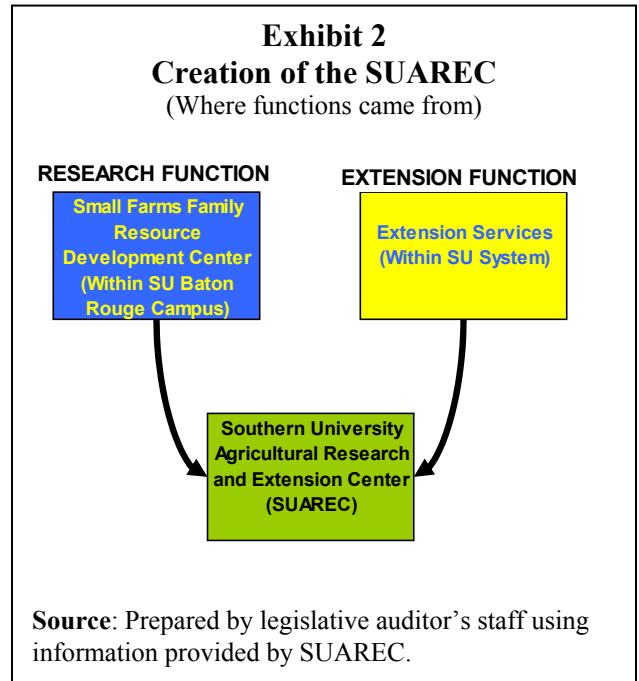
- **Administration:** This section provides management oversight (including financial management) and direction for the other sections within SUAREC. Administrators are involved with such tasks as budget development and project implementation.
- **Research:** This section conducts agricultural research. Researchers produce results that extension brings to the clients around the state. (See **Appendix B** for a description of all research projects conducted in state fiscal year 2002-2003).
- **Cooperative Extension:** This section conducts outreach and educational programs (outreach arm of SUAREC) such as the livestock show. They disseminate research information to extension agents in the field as well. (See **Appendix B** for a description of all extension projects conducted in state fiscal year 2002-2003).
- **Technology Services:** This section is responsible for data, networks, the web, electronic media, and publications and also provides technical support and training for SUAREC.

For fiscal year 2003, SUAREC had approximately 100 positions and expended approximately \$6.5 million. According to SUAREC and Board of Regents officials, the SUAREC could obtain an additional \$7 to \$8 million annually in funding as a result of a pending desegregation settlement. This settlement could happen in the next two to five years.

Exhibit 1 Fiscal Year 2002-2003 Expenditures		
Funding Source	Expenditures	Percent of Total
Federal	\$3,893,212	60%
State	2,549,068	39%
Private	86,424	1%
Total	\$6,528,704	100%
Source: Prepared by legislative auditor's staff using information from the SUAREC.		

Creation of SUAREC: According to SUAREC officials, the Southern University Agricultural Research and Extension Center is still in its early stage of development.

As shown in Exhibit 2, the SUAREC was created to have research and extension services at one campus. Before the creation of the SUAREC, the research function was located in the Small Farms Family Resource Development Center on the Southern University Baton Rouge Campus. The extension function was administratively located under the Southern University System. On July 1, 2001, the research and extension functions were combined to create SUAREC, which is the fifth campus of the Southern University System. The Administration and Technology functions were created to support the research and extension functions. Before the creation of the SUAREC, all financial functions were performed by Southern University - Baton Rouge. A Memorandum of Understanding is being developed between the two campuses to facilitate moving the appropriate functions to the SUAREC.



The SUAREC's current administrators have held administrative positions in Southern University's research and extension functions before the creation of the SUAREC. The SUAREC Chancellor served as the Administrator of the Southern University Cooperative Extension Program from 1980 to July 2001. The Vice-Chancellor of Research worked as the Research Director for the College of Agriculture from 1997 to April 2003. The Vice-Chancellor of Extension served as the Acting Assistant Administrator of Southern's Cooperative Extension Program from 1999 to April 2003. She was also an Associate Specialist of Family and Consumer Sciences during that time. The Vice-Chancellor of Administration was employed as the Assistant Administrator of the Extension Program and served as an Agriculture Specialist from 1995 to April 2003.

Research Section

The SUAREC's research section is staffed by more than 30 professional scientists who hold research appointments with the SUAREC. These scientists conduct research projects that are organized into four programs. We determined that the SUAREC conducted a total of 14 research projects within these programs in fiscal year 2003. See **Appendix B** for a listing and description of each research project. According to SUAREC officials, the programs and their intended purposes are as follows:

- **Plant and Animal Production Systems** - Addresses various aspects of animal and plant production systems and includes such areas as forage crops, meat processing and storage, and grazing techniques.
- **Human Nutrition, Health, Family and Consumer Sciences** - Addresses the areas of lifestyle, diet, and exercise to improve human nutrition and wellness.
- **Urban Forestry, Natural Resources and Environment** - Addresses the areas of forestry in an urban environment and its impact on the environment and also addresses critical problem areas such as pollution and flooding.
- **Economics, Marketing, Policy and Community Development** - Addresses nutritional economics and marketing for economic rural development, including consumer awareness and trends, and also addresses the nutritional needs of SUAREC clients.

Extension Section

The SUAREC's extension section is staffed by seven specialists that are housed in Baton Rouge and 19 extension agents placed throughout the state in 20 parishes. Extension is comprised of five programs. We determined that the SUAREC conducted a total of 14 projects within these programs in fiscal year 2003. See **Appendix B** for a listing and description of each extension project.

Extension Specialists

Extension specialists are responsible for coordinating programs and projects for use in the field. According to a SUAREC official, the program areas and purposes include the following:

- **Family and Human Development** - Provides educational programs that address parenting, childcare, family economic stability, aging, consumer education, and change and stress.
- **Agriculture and Natural Resources** - Provides educational programs to Louisiana's agricultural industry from farmers to commodity groups, agribusiness, food processors, and retailers. The programs address crop and livestock production

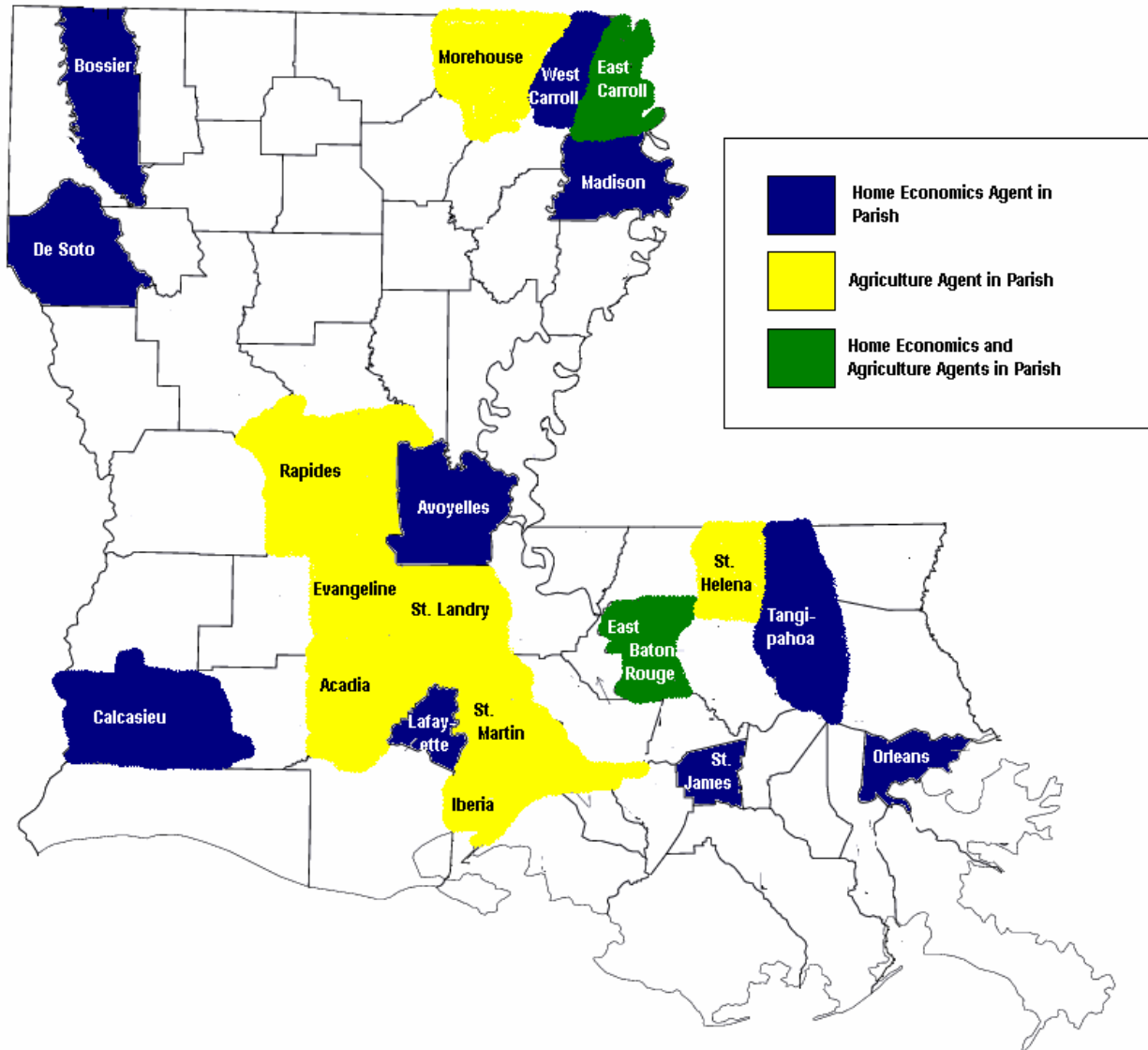
systems that are profitable, sustainable, environmentally sound, and safe for limited resource farm families.

- **Youth Development** - Programs in youth development give young people a chance to learn new skills, gain self-confidence, and contribute to their communities. Balanced after school and community-based enrichment programs will be offered to build the capacity of youth in the context of families, schools, and communities that positively impact the youth's social, intellectual, and physical development.
- **Economic and Community Development** - Provides educational programs that help people address concerns about their communities' social, economic, and environmental conditions. Programs are broad based to help community leaders understand the complex social and economic interactions. Others are very specific, like the programs to help people form nonprofit organizations and assist the faith based community to maximize its social and economic impact on the communities.
- **Diet, Nutrition and Health Education** - Provides educational programs that seek to improve health, nutrition and safety of individuals, families and communities. Programs in this area address food safety, wellness, healthy lifestyle through proper diet, nutrition and exercise, food insecurity, as well as food choices and behavior across the lifespan.

Extension Agents

Extension agents are front line educators who are responsible for providing information directly to the SUAREC's clients. These extension agents specialize in either agricultural areas or home economics areas (such as vocational or social programs). See Exhibit 3 for a map of extension agent locations in Louisiana.

Exhibit 3 Current SUAREC Extension Agents by Location



Source: Created by legislative auditor’s staff using information provided by the SUAREC.

The SUAREC is supposed to receive feedback from Advisory Committees located in parishes throughout the state. Advisory Committees are made up of local community members who can provide input to the SUAREC on project topics.

SUAREC Management

Has the SUAREC effectively implemented and managed its activities to identify and meet client needs?

The SUAREC has not effectively implemented and managed its activities to identify and meet client needs. During our audit, we identified several deficiencies of the SUAREC. Many of these deficiencies were caused by a lack of planning by management during the first two years of the SUAREC's existence. Based on the deficiencies we identified, it appears that SUAREC management was not prepared for the merging of research and extension functions and staff. According to an official at SUAREC and the Board of Regents, the SUAREC may receive an additional \$7 to \$8 million in funding annually in as little as two years as a result of the desegregation agreement. Therefore, it is important that SUAREC correct the current deficiencies so that it will be prepared to maximize the use of the potential inflow of money from the desegregation agreement. Correcting these deficiencies will help to ensure that the money spent by SUAREC will benefit its clients. Below we have listed the deficiencies we identified along with our recommendations for improvement.

- The SUAREC administration has not required or conducted a formal needs assessment and does not consistently get input on needs from extension agents and clients.
- Extension and research at the SUAREC lack communication and coordination.
- The SUAREC management could not readily provide a list of all research and extension projects conducted in fiscal year 2003.
- Many SUAREC research projects have questionable value.
- The SUAREC has been managing its projects without reliable financial data.
- The SUAREC management did not ensure that all resources were adequately maintained and used to serve the needs of clients.
- The SUAREC management has not established and maintained a reliable inventory system to ensure control over assets.

To improve in these areas, management should:

- Establish and conduct a formal needs assessment
- Ensure that there is communication among researchers, extension specialists, and extension agents
- Consistently be aware of all projects under its oversight
- Ensure that all research and extension projects provide benefits to clients
- Maintain reliable financial data
- Ensure that resources are maintained and used to serve the needs of its clients
- Maintain a reliable inventory system

The SUAREC Administration Has Not Required or Conducted a Formal Needs Assessment and Does Not Consistently Get Input on Needs From Extension Agents and Clients

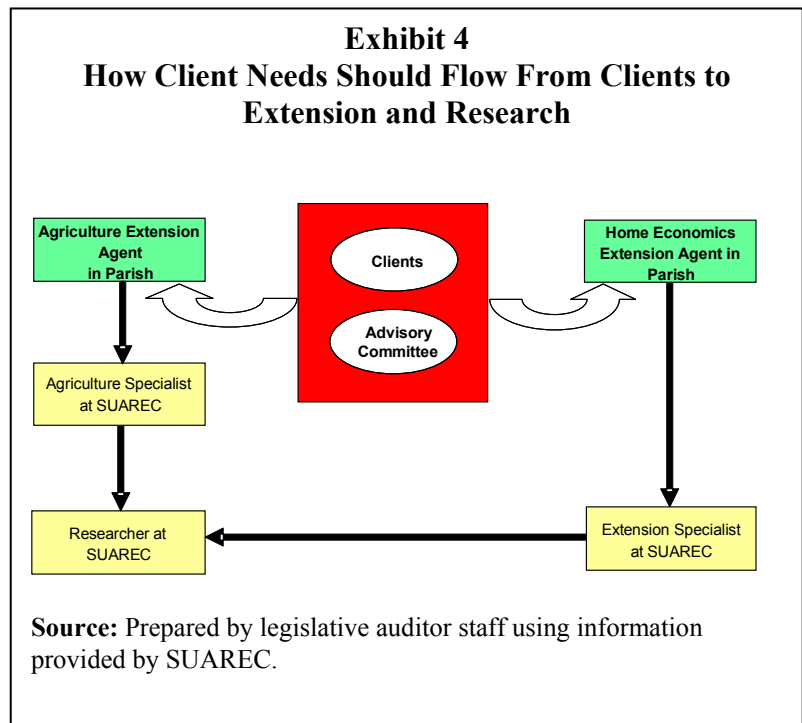
The SUAREC did not obtain formal feedback from its clients to establish and implement projects in fiscal year 2003. Rather, these projects were based on limited information from a variety of sources such as advisory committees and community leaders. In some cases, projects were based on ideas of researchers with limited or no input from SUAREC clients.

SUAREC administrators agreed that they need to conduct a formal needs assessment. One official informed us that this type of planning must be conducted so that the SUAREC administration and staff do not have to deal with deficiencies in service delivery toward the end of projects. As discussed later in this report on page 13, this official also questioned the usefulness of many research projects that were conducted in fiscal year 2003. He attributed this, in part, to the lack of a formal needs assessment.

SUAREC administrators did not obtain information regarding client needs from the majority of Agriculture extension agents. Four of six SUAREC Agricultural extension agents responding to a survey that we conducted stated that SUAREC did not obtain any feedback regarding the needs of the clients in their parish in fiscal year 2002-2003. One agent stated that the SUAREC administration has not encouraged agents to give feedback on client needs and, as a result, their research is not relevant or beneficial to clientele. Another agent informed us that the clientele has changed, but he has not been able to offer feedback to the SUAREC regarding their needs.

Extension agents are out in the parishes and deal directly with the SUAREC clients. Therefore, they could be a starting point for the needs assessment process as shown in Exhibit 4. However, it may be beneficial for researchers and specialists to interact with clients and advisory committees. SUAREC administrators agreed that improvements should be made in this area.

SUAREC administrators obtained informal feedback from the Home Economic extension agents. While all eight of the Home Economic extension agents responding to a survey we conducted stated that SUAREC obtains input on client needs, the Vice Chancellor of Extension stated that this process needs to be formalized and documented.



Federal law requires a formal needs assessment process with input from clients. In addition, agricultural universities and professional organizations stress the need for a formal process. The Agricultural Research, Extension, and Education Reform Act of 1998 (AREERA) requires land-grant institutions to develop a process for stakeholder input. In addition, staff from other agricultural universities and professional organizations agreed that formal collection and analysis procedures, formal policies and procedures, and strategic planning are needed for a successful extension program. For example, one university employee stated that formal processes and methods to collect and analyze client information for program creation are the best ways to accomplish goals. These methods make analysis and presentation of results more feasible and increase accountability. Also, we found literature from one university that stressed the need to identify target audiences. The university stated that doing so helps you get the right information to the right people. Moreover, identifying the audience allows you to use the right methods to deliver certain programs. Furthermore, literature from the Louisiana Cooperative Extension Service provides that program development is a systematic procedure of decision-making that begins with the collection and analysis of facts and situations.

Recommendation 1: The SUAREC management should develop and implement a formal ongoing process to assess who its clients are and where they are located. Included in this evaluation should be a review of the current location of SUAREC extension agents to determine if they are strategically located to best serve SUAREC clients.

Summary of Management's Response: The SUAREC's management agrees and indicates that they are developing a formal system of evaluation and assessment to address this recommendation. (See Appendix D for the SUAREC's full response.)

Recommendation 2: The SUAREC should develop and implement a formal ongoing process to identify the needs of its clients. This process should include feedback from extension agents and the various advisory committees located in the various parishes in the state. They should also ensure that the process is ongoing in case their client base changes and/or the needs of this client base changes. Such a process should drive program and project development and implementation. Management should document exactly how this process will be conducted. Guidelines and instructions could be placed in the operating policies and procedures that the SUAREC administrators are developing.

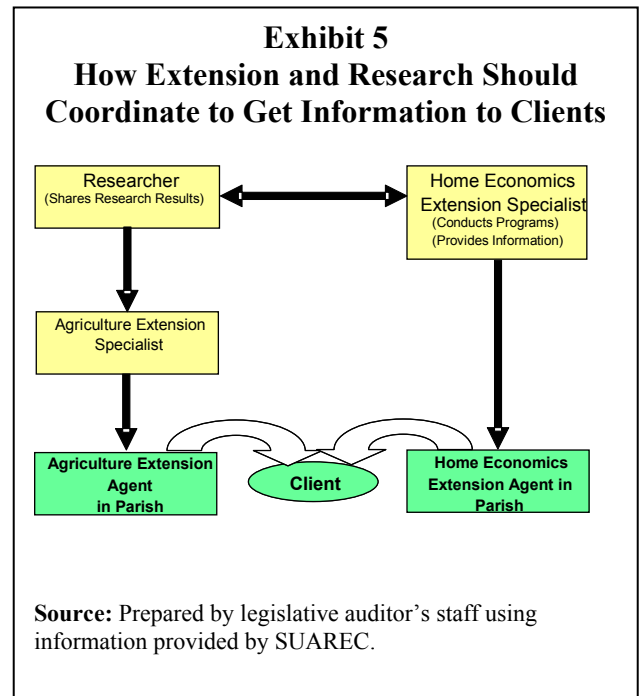
Summary of Management's Response: The SUAREC's management agrees with this recommendation. They state that the SUAREC has established an advisory committee structure which includes participation by extension agents, faculty, and clientele. They also have parish advisory councils and are reviewing all research proposals for evidence of client input. (See Appendix D for the SUAREC's full response.)

OLA's Response to Management's Response: As stated in SUAREC's response, some parish advisory councils already do exist. However, the process of using these councils to identify client need has been informal and inconsistent. The stakeholder advisory committee structure being developed by SUAREC should help to formalize the process.

Extension and Research at the SUAREC Lack Communication and Coordination

In a proposal to the Board of Regents to establish a new campus, Southern University officials stated that extension will be instrumental in disseminating research in the food and agricultural sciences in a way that will impact the economic and social well being of residents of Louisiana. The proposal also stated that the establishment of the SUAREC would increase communication and collaboration between research and extension. However, the research and extension functions at the SUAREC have been operating independently of one another and not as a cohesive unit.

There was little interaction between research and extension staff at the SUAREC. During our tours of the SUAREC’s research and extension projects, many project managers told us that there was virtually no interaction between the research and extension programs at the SUAREC. Nearly 80% of the extension agents responding to our survey (11 of 14) stated that they had not received the results of agriculture research from researchers at SUAREC. These extension agents stated that they had little to no interaction with the researchers. For eight of the 14 research projects, at least half of the agents surveyed were unaware of these projects being conducted by the SUAREC. As a result, all agricultural extension agents surveyed stated that they either get most or all of their agricultural information from Louisiana State University (LSU). Only two agricultural extension agents stated that they get some information from SUAREC.



The SUAREC has not made use of the extension specialists at the Louisiana Cooperative Extension Service (LCES), and this situation has contributed to extension agents not receiving the results of research and general agricultural information. According to a SUAREC administrator, it is the primary responsibility of extension specialists to get research information to agricultural extension agents (as shown in Exhibit 5). Another SUAREC administrator noted that the SUAREC does not have the necessary agricultural extension specialists to bring all agricultural project results out to the

Exhibit 6
Areas of Concentration for Extension Staff at the SUAREC
As of 8/01/03

Extension Position	Home Economics	Agricultural
Administrator	1	0
Extension Specialist	5	2*
Extension Agents	11	8
Total	17	10

*Although extension informed us that there were two, a research official was not aware that they were functioning as agricultural extension specialists.

Source: Created by legislative auditor’s staff using information provided by the SUAREC.

clients as shown in Exhibit 6. More specifically, they have no specialists in the areas of urban forestry, animal sciences, agricultural economics, and plant sciences. However, according to the director of the LCES, Southern is a part of the LCES and has been encouraged to use its network of agricultural specialists in disseminating information to clients but has not done so. The LCES is a statewide extension organization composed of LSU and SU employees dedicated to disseminating research information to the residents of Louisiana. The LCES already has extension specialists in all areas of SUAREC research. By not using the resources available through the LCES, the SUAREC has missed an opportunity to provide agricultural research information to its clients.

Recommendation 3: SUAREC administration should formalize and implement a process to ensure that research and extension operate as a cohesive unit by improving communication. This should include either converting existing extension specialists to concentrate in agricultural topics or making use of the agricultural specialists that already exist in the Louisiana Cooperative Extension Service. These specialists should ensure that extension agents are aware of current research projects and receive the results of ongoing and completed research projects. This process could include regular meetings, mailings, and teleconferences. The existing technology at the SUAREC television studio could be used for teleconferencing.

Summary of Management's Response: The SUAREC's management agrees and indicates that it is currently conducting various activities to improve communication between the research and extension components. In addition, SUAREC management has stated that it is developing additional measures aimed at improving communication in the future. SUAREC management believes that it has made great progress over the last two years in this area. (See Appendix D for the SUAREC's full response.)

OLA's Response to Management's Response: While SUAREC's response does not specifically address making use of existing extension specialists in LCES, it does state that plans are being developed to reassign three research faculty members to part-time extension appointments. Also, SUAREC plans to fill two new joint research-extension faculty positions.

The SUAREC Management Could Not Readily Provide a List of All Research and Extension Projects Conducted in Fiscal Year 2003

SUAREC administrators had difficulty identifying specific projects that were conducted in fiscal year 2003 and the resources related to those projects. We asked research and extension administrators to identify the programs and projects that were actually conducted in fiscal year 2003. It took several discussions to reach a consensus as to what projects were actually conducted during fiscal year 2003. In one case, the Vice-Chancellor of Extension was uncertain as to the number of extension agents under her management and the exact number of parishes where the SUAREC carried out its responsibilities and functions. In addition, this administrator was uncertain as to who was actually responsible for running one of the projects at the SUAREC.

The difficulties SUAREC management had identifying projects can be partially explained by the fact that it is in transition from separate research and extension functions to one campus. However, administrators should have a working knowledge of the projects and resources they are to manage. Without thorough knowledge of all projects and related resources, administrators are at a disadvantage in terms of accountability and control. Administrators may not be able meet the needs of their clients if they do not know what they are using to deliver necessary services to them.

Recommendation 4: The SUAREC administrators should ensure that they have a thorough knowledge of the projects and resources they are to manage. They should create and maintain a listing of actual projects conducted and the employees responsible for them.

Summary of Management's Response: The SUAREC's management partially agrees with this recommendation. They agree that it is important to have this type of information available, but disagree with the "notion that the SUAREC administrators may not have thorough knowledge of the projects and resources they manage." SUAREC is developing a database to manage research and extension profiles. (See Appendix D for the SUAREC's full response.)

OLA's Response to Management's Response: During our audit, we had to assist the Vice-Chancellors of Research and Extension in creating a complete and accurate listing of projects for fiscal year 2003. The Vice-Chancellor of Extension commented that knowing the number of extension agents under her management "would be a good thing to know." Such facts illustrate that at the time of our audit, SUAREC administrators did not have a thorough knowledge of projects and related resources.

Many SUAREC Research Projects Have Questionable Value

We question the benefit that many research projects conducted in fiscal year 2002-2003 will provide to SUAREC clients. We found that extension agents:

- Were not aware of projects conducted at the SUAREC
- Had not used results from these research projects
- Stated that some projects were not (or would not be) beneficial to their clients

Several research project managers questioned the need for their projects. We interviewed the project managers for each of the 14 research projects conducted during state fiscal year 2003, and were told by several researchers that they either questioned the justification for their project, the economic feasibility of the product they were researching, or the value of the subject being researched.

Extension agents informed us that they had concerns regarding the value of SUAREC research projects conducted in fiscal year 2003. For eight of the 14 research projects, at least half of the 14 agents surveyed were unaware of these projects being conducted by the SUAREC. In addition, the agents surveyed had not used any information from 12 of the

14 research projects. In fact, all agricultural agents informed us that they did not rely on SUAREC as a primary source of information. Four of these agricultural agents relied solely on information provided by LSU. More importantly, several agents stated that these projects were not (or would not be) beneficial to their clients. For example, 50% or more of the agents we surveyed stated that they did not think that six projects were (or would be) beneficial to clients. In fact, some agents noted that there had been no client interest, or client requests, for some of the projects we discussed with them.

A SUAREC administrator stated that 10 of the 14 research projects were either questionable or needed further review to determine value. The Vice-Chancellor of Research informed us that he had inherited several of these projects and intends to reconsider the necessity of conducting these projects. In fact, he said that he will discontinue one project and scale back another. In addition, he has requested a formal program review by the Cooperative State Research, Education and Extension Service (CSREES), the division of the United States Department of Agriculture which releases federal funds for agricultural research and extension activities to universities. According to this administrator, a formal needs assessment would have allowed management to plan for projects that benefit the clients. Furthermore, he attributed the fact that extension agents questioned the value of the projects to the fact that they are not familiar with the project. He believes this situation occurred because SUAREC does not have the necessary agricultural specialists and extension agents to bring all agricultural project results out to the clients.

Recommendation 5: The SUAREC should formally reevaluate each current research project to determine if it has value and will provide a benefit for the clients of SUAREC. This process should be documented and include input from the extension agents and advisory committees throughout the state. If there are no relevant advisory committees for a project in the parishes in which SUAREC has extension agents, the SUAREC should determine if these committees exist in the Louisiana Cooperative Extension Service and seek input from those committees.

Summary of Management's Response: The SUAREC's management partially agrees with this recommendation and states that a request has been submitted to the USDA for a comprehensive review of the research program. In addition, SUAREC management has also indicated that an internal review of research projects is currently underway. However, SUAREC management maintains that researchers and educators (presumably extension agents) view the value of research projects differently. Educators want to see immediate benefits while researchers are concerned with future benefits. (See Appendix D for the SUAREC's full response.)

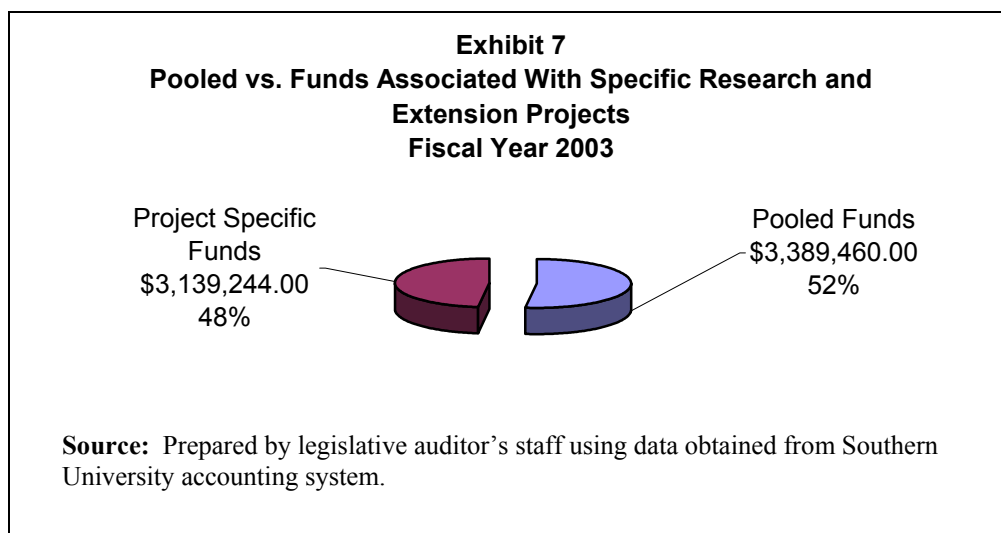
OLA's Response to Management's Response: Although researchers and extension agents may view the value of research projects differently, extension agents are SUAREC's most direct link to their clientele. As such, their input on the value of research projects (whether current or future value) should not be underestimated or discounted. The SUAREC should focus on providing what its clients need. If research is being conducted in an area that is known to be irrelevant, limited benefit will be produced in the short and/or long-term.

The SUAREC Has Been Managing Its Projects Without Reliable Financial Data

SUAREC administrators cannot obtain accurate financial data for each project. Therefore, they cannot tell us how much they spent on each project. At our request, for approximately two months, the SUAREC attempted to obtain financial data by project but were unable to do so. SUAREC administrators had to get the comptroller at the Southern University System to provide us with the financial data. SUAREC administrators said that they did not have the expertise to obtain the data they needed from the Southern University System. In addition, they stated that the Southern University accounting system is not reliable because when they did attempt to obtain data the system was often offline.

Also, we toured the 14 extension and 14 research projects that were conducted during fiscal year 2003 and noted that project managers were having difficulty providing us with financial data showing what was spent for the projects they were responsible for. When asked, many of these project managers said that it was difficult to get this type of data from SUAREC or the Southern System office. Project managers could not attest to the accuracy or completeness of the financial data they had, and one said that she had no idea how much money she had spent on her project.

The SUAREC had difficulty identifying data by project from the limited financial data provided by the Southern University accounting system. The financial data provided by the comptroller at Southern University was accumulated by account code. SUAREC did not have a complete listing to determine which account codes corresponded to which project. SUAREC officials then had to create this listing with help from the Comptroller's Office. In addition, Southern University's financial system pools large amounts of federal and state funds for the SUAREC and does not currently allocate expenditures from these fund pools to specific projects. According to the Comptroller's Office, the Southern University System has the capability and is willing to make the necessary changes. While federal money is identified by project for the research program, it is not for the extension program, and state monies are pooled for both the research and extension programs. As shown in Exhibit 7, approximately 52% (\$3,389,460) of SUAREC expenditures in fiscal year 2003 were paid out of these pooled funds and cannot be attributed to specific projects.



According to SUAREC officials, they are attempting to reduce the amount of pooled funds by separating out some administrative funds. For fiscal year 2003-2004, SUAREC is separating out funds for the Office of the Chancellor, Office of the Vice Chancellor of Finance and Administration, and Office of Technology. However, the majority of federal funds for extension projects and state funds for research and extension projects are still pooled.

SUAREC management should have access to reliable financial data in a timely manner. The Food & Agriculture Organization (FAO) of the United Nations states that problems with producing accurate and timely financial data are a major financial concern of extension organizations. The FAO's reference manual, Improving Agricultural Extension, states that one of the major financial concerns of an extension organization is that managers and other staff members do not know and apparently cannot find out how many resources are available for use in dealing with a particular problem or program activity. The manual also states, "sound financial management is the first step toward quality programming." These statements illustrate that without access to reliable financial data for each project, managers will not be able to maintain sufficient control over their projects nor will they be able to effectively and efficiently manage their projects. In addition, at least one of the grants that SUAREC received for an extension project (from the Louisiana Children's Trust Fund) contained a stipulation regarding record-keeping. It states that separate accounting and fiscal records for all funds provided from any source to pay the cost of the project should be kept and maintained. By not being able to account for the various pooled funds by project, SUAREC may have violated the terms of this grant. More importantly, accountability for these funds may not have been established and project managers may not have been aware of their financial constraints in managing these projects.

Recommendation 6: SUAREC should meet with the Southern University Comptroller to determine what skills are necessary to ensure that SUAREC administrators can access accurate accounting information in a timely manner. Training should then be provided to the SUAREC by the Comptroller's Office to address necessary skills.

Summary of Management's Response: The SUAREC's management agrees with this recommendation and states that it has begun ongoing communication with Southern University - Baton Rouge to ensure that SUAREC administrators and financial staff are adequately trained and possess the skills to access SUAREC account information in a timely manner. Also, they are hiring an accountant to serve as a liaison. (See Appendix D for the SUAREC's full response.)

Recommendation 7: The SUAREC and the Southern System Office should develop a Memorandum of Understanding that sets out the financial and accounting responsibilities of each entity to ensure that SUAREC has access to accurate accounting information in a timely manner.

Summary of Management's Response: The SUAREC's management agrees with this recommendation and indicates that they have begun developing an overall Memorandum of Understanding (MOU) with Southern University - Baton Rouge officials through the MOU Committee. In addition, a separate financial responsibilities MOU has been signed and financial training is in the planning stages. (See Appendix D for the SUAREC's full response.)

Recommendation 8: The SUAREC and the Southern University System should meet and develop together a mechanism for allocating expenditures from the state and federal pooled accounts to specific projects.

Summary of Management's Response: The SUAREC's management agrees with this recommendation and indicates that it has developed a plan to allocate pooled funds to specific projects. (See Appendix D for the SUAREC's full response.)

The SUAREC Management Did Not Ensure That All Resources Were Adequately Maintained and Utilized to Serve the Needs of Clients

We found many of the facilities at the research farm and A. O. Williams Hall to be in poor condition. In fact, a barn and the administrative office at the research farm were recently condemned and demolished. Farm employees then made an outside office in a hay barn (see picture in Exhibit 8). The Vice-Chancellor of Research said that employees were offered another office. However, the assistant research superintendent said that the other office space was not close enough to their work area and that they will use the hay barn until they can renovate the offices in an adjacent goat barn. Currently, the offices at the goat barn are unusable as seen in Exhibit 9. In addition, two storage silos at the research farm contained at least 300 tons of feed that could not be extracted because of a faulty part according to SUAREC staff. Two other silos at the Dairy Barn, part of the Baton Rouge Campus,



Exhibit 8: New Research Farm Administrative Office

contained approximately 100 tons of feed that could not be accessed. According to the Vice-Chancellor of Research, the feed is worth a total of approximately \$11,200 and it would cost more to fix the silos than the feed is worth (approximately \$30,000 to fix). We observed that the decaying feed was corroding in one of the silos and leaking through the cement and metal bands. Also, we observed research goats that were harmed because of security problems. A SUAREC staff member informed us that some had been injured or killed by dogs. We were also informed that breaches in security at the research farm allowed vandals to damage property. For example, expensive lights are shot out. A SUAREC official stated that it is hard to attract new research faculty to SUAREC with the research farm in such poor condition.



Exhibit 9: Existing Unusable Office at Research Farm

During our audit, we observed a serious mold, humidity and temperature problem at A. O. Williams Hall. We also found that five research labs could not be used because of mold and moisture problems. These five rooms contained approximately \$646,000 worth of equipment, according to the Vice-Chancellor of Research. At least two researchers bought equipment to perform specific experiments but could not use the equipment because of the mold and moisture problems. Two researchers had to contract with a lab in New Orleans at a cost of \$9,000 to carry out the experiments for which they had purchased equipment. In addition, we observed that rooms on the research side of A. O. Williams consistently had temperatures in the low sixties (and occasionally the mid to high fifties) during August, September, and October. This problem was attributed to a lack of hot water which is required for the building's air conditioning system to function properly. It appears that this has been a problem since the completion of the building. According to the SUAREC administrators, they are trying to get this fixed as quickly as possible, but repairs could cost at least \$200,000. Also, researchers and administrators suggested that these conditions could be causing harm to sensitive equipment and/or facilities. Exhibits 10 through 15 are pictures of rooms in A. O. Williams Hall with mold and moisture problems.



Exhibit 10: Mold in A. O. Williams Hall



Exhibit 11: Missing Tiles Because of Moisture Problems in A. O. Williams Hall



Exhibit 12: Equipment in Lab Affected by Moisture Problems in A. O. Williams Hall



Exhibit 13: Equipment in Lab Affected by Moisture Problems in A. O. Williams Hall



Exhibit 14: Mold in A. O. Williams Hall



Exhibit 15: Mold in A. O. Williams Hall

We also found that 13 other labs in A. O. Williams Hall were not used during fiscal year 2003 for SUAREC projects for reasons other than mold. The SUAREC staff did not use these labs because of a lack of projects. SUAREC management stated that these rooms were planned and built for future expansion. Including the five labs not available due to mold, 56% of the labs were not used during our audit.

The SUAREC spent nearly \$450,000 on equipment that has never been used for SUAREC projects and approximately \$775,000 on equipment that was used for only four SUAREC projects. (See Appendix D for a list of equipment purchased that has never been used.) Some of these purchases can be attributed to poor planning. For example, one researcher bought approximately \$20,000 worth of customized equipment for which the proper voltage was not available to operate the equipment. Another researcher bought a \$5,000 piece of equipment with the installation cost included. However, the installation warranty was allowed to expire and now SUAREC must pay an additional fee for installation. In addition, two large walk-in freezers were bought at a cost of \$67,500 but could not be used because the fire marshal deemed them a fire hazard because of a design flaw.

SUAREC officials informed us that other equipment was purchased while anticipating expansion, but a lack of planned funding has not allowed them to expand activities. As a result, there is equipment that has not yet been used in A. O. Williams Hall. For example, according to a SUAREC employee, the SUAREC has already spent \$65,600 developing a metabolic kitchen for future use. A SUAREC employee estimates that an additional \$80,000 will be required to complete this development. We also found a dual x-ray machine sitting unused in a laboratory. This x-ray machine, which cost \$77,000, will be used in the future when a staff member is hired by the SUAREC. Furthermore, one researcher we interviewed had several pieces of equipment still crated in boxes. We were told that this equipment has remained unused because the project has not yet been fully implemented. Although we understand that SUAREC must take measures to move forward as an organization, we question why such spending has occurred. Since the potential inflow of money from the desegregation agreement is approximately two years away, many of these purchases could have been better timed so that assets will not become obsolete or deteriorate.

The SUAREC spent approximately \$775,000 on equipment for a television studio. However, the studio equipment has only been used for the development of three SUAREC public service announcements and one video conference. The Director of Technology Services confirmed that the only other use of the television studio for SUAREC projects has been as meeting space. Exhibits 16 - 18 are pictures of the underutilized studio and other equipment. The studio was also used for other Southern University related activities. The Vice-Chancellor of Administration and Finance said they are not using the studio to its fullest potential.



Exhibit 16: At least \$8,000 Worth of Equipment in Lab Unopened for Two Years



Exhibit 17: Underutilized Video Conferencing Equipment and Television Camera



Exhibit 18: Underutilized Television Studio

Also, we observed over 33 televisions placed throughout the building that were intended to air activities conducted in the television studio. However, we observed that the televisions and the studio are not consistently used.

Recommendation 9: The SUAREC and the Southern System Office should take immediate action to address the mold and moisture issue in A. O. Williams Hall. SUAREC should hire a professional to evaluate the extent of the mold damage and contamination and create a plan for removing the mold. This situation should be addressed immediately because the mold may be causing significant damage to A. O. Williams and equipment. In addition, the situation is slowing down work and posing a potential liability to the SUAREC and state.

Summary of Management's Response: The SUAREC's management agrees with this recommendation and places high priority on this problem. Plans are underway to assess damage and fix the heating and cooling system. (See Appendix D for the SUAREC's full response.)

Recommendation 10: The SUAREC administrators should create an overall resources allocation plan that spells out how to best allocate resources where they are most needed. Proper allocation should ensure that buildings, rooms, and equipment are maintained and usable. Proper planning will ensure that equipment is bought when needed. This plan should address the deteriorating condition of the research farm. Also, SUAREC should plan for the possible influx of \$7 to \$8 million annually from the desegregation agreement between the SUAREC and LSU.

Summary of Management's Response: The SUAREC's management agrees with this recommendation and indicates that a facilities use plan has been put in place. However, management states that A. O. Williams Hall was built for growth and much equipment was purchased based on current and future needs. When anticipated money did not come, there were no funds to address personnel and programmatic issues. (See Appendix D for the SUAREC's full response.)

OLA's Response to Management's Response: We question why such purchases occurred without a guaranteed influx of money. In addition, we found that poor planning was often the cause of waste rather than a lack of money. For example, one faculty member bought two pieces of expensive equipment and later found that he did not have the proper facilities to operate this equipment.

The SUAREC Management Has Not Established and Maintained a Reliable Inventory System to Ensure Control Over Assets

SUAREC staff had difficulty providing complete and accurate listings of inventory used to conduct projects during fiscal year 2003.

Before we interviewed all researchers and extension specialists, we asked them to compile lists of inventory that they used to conduct their projects. Several project managers had difficulty providing us with lists of complete and accurate inventory. We observed pieces of equipment that were not on inventory lists. In addition, staff seemed confused as to what inventory applied to their project. Finally, there were expensive pieces of equipment that did not contain a state tag.

The Southern Association of Colleges and Universities (SACS) suggests that an institution must maintain proper control over

purchasing and inventory management to, in part, safeguard the institution from loss of equipment. In addition, state law (R.S. 39:323) requires that agency property managers ensure that state property is marked as prescribed by the commissioner of administration, which requires that property costing over \$1,000 be tagged. Without enforcement of such a system at the SUAREC, administrators may not be able to ensure that equipment remains in their control. In addition, management will not have full knowledge of what can be used to meet the needs of their clients.

In one case, we found that there was approximately \$775,000 of untagged technology equipment. See Exhibit 19 for an example of untagged technology equipment. The Director of Technology Services informed us that he worked for seven months to put together a complete inventory list of technology equipment but was unable to do so. Furthermore, we were informed that this equipment did not go through Southern University's central receiving process (where all equipment is tagged). Based on SUAREC's current inventory system, we conclude that it would be difficult for SUAREC management to determine if equipment is missing, has been stolen, or never received. Therefore, the lack of an inventory system that contains reliable data has decreased management's ability to maintain control and accountability. As a result of our discussion with officials regarding tagging of equipment, the SUAREC has begun tagging technology equipment. We observed several large pieces of equipment that have recently been tagged in the television studio and adjoining control room.

Exhibit 19
Example of Untagged Equipment in SUAREC Television Studio



Source: Prepared by legislative auditor's staff using picture taken in SUAREC television studio control room.

Recommendation 11: The SUAREC management should develop and implement a system to ensure that all inventory is accounted for and tagged. This system should include coordinating with the appropriate entity at the Southern University System responsible for tagging and tracking inventory. Complete and accurate listings of inventory should be maintained and easily accessible by SUAREC staff.

Summary of Management's Response: The SUAREC's management partially agrees with this recommendation and indicates that it is upgrading the current inventory system to address the recommendation. In addition, the SUAREC's management states that the approximately \$775,000 in untagged equipment referred to previously has been tagged. (See Appendix D for the SUAREC's full response.)

OLA's Response to Management's Response: We were informed by the SUAREC management before the publication of this report that the SUAREC's untagged inventory (as mentioned in this report) had been tagged as a result of our finding. We commend the SUAREC on its prompt corrective action to this identified issue.

Recommendation 12: The SUAREC management should reevaluate all existing inventory to determine if it is properly tagged.

Summary of Management's Response: The SUAREC's management partially agrees with this recommendation and indicates that all appropriate inventory has now been tagged. (See Appendix D for the SUAREC's full response.)

OLA's Response to Management's Response: We were informed by the SUAREC management before the publication of this report that the SUAREC's untagged inventory (as mentioned in this report) had been tagged as a result of our finding. We commend the SUAREC on its prompt corrective action to this identified issue.

Appendix A
Audit Scope and Methodology

Appendix A: Audit Scope and Methodology

We conducted this performance audit under the provisions of Title 24 of the Louisiana Revised Statutes of 1950, as amended. We followed the applicable generally accepted government auditing standards as promulgated by the Comptroller General of the United States. Preliminary work on this audit began in May 2003.

Scope

This audit focused on the management of the Southern University Agricultural Research and Extension Center (SUAREC). The audit covered the management of the SUAREC's research and extension activities for state fiscal year 2003. Specifically, we reviewed the SUAREC oversight in the following areas:

- Needs Assessment
- Project Management
- Financial Management
- Resource Management

Methodology

Needs Assessment

To determine whether the SUAREC administration has required or conducted a formal needs assessment, we performed the following procedures:

- Researched applicable federal and state legislation
- Interviewed SUAREC administrators, project managers, and extension agents regarding the current needs assessment process
- Researched applicable regulations and standards associated with needs assessment processes, including information from professional organizations and other land grant institutions

Project Management

To determine whether the SUAREC has provided information to the extension agents and its client groups, we performed the following procedures:

- Reviewed the Southern University System's proposal to the Board of Regents to establish the SUAREC campus
- Interviewed SUAREC project managers and extension agents to assess the extent of communication between and within the research and extension functions
- Interviewed SUAREC extension agents to determine the extension agents' source of agricultural information

- Interviewed SUAREC administrators regarding the staffing of the extension function and roles of SUAREC administration, researchers, extension specialists, and extension agents in information dissemination
- Reviewed each project's targeted clients to identify the SUAREC's client groups

To determine whether research and extension projects provide benefits to clients, we performed the following procedures:

- Interviewed SUAREC administrators to determine the purpose of each state fiscal year 2003 research and extension project
- Interviewed SUAREC project managers (i.e., extension specialists and principal investigators) to determine the following for each state fiscal year 2003 project: project name and purpose, description of clients served, and accomplishments/benefits/impacts obtained by clients
- Interviewed SUAREC extension agents to obtain information on the agents' awareness, use, and statements regarding the benefits of projects for projects in their area of expertise (either agriculture or home economics), and to determine the extension agents' source of agriculture information
- Reviewed proposed project output and outcome statements and actual accomplishments to identify questionable projects
- Interviewed a SUAREC administrator to obtain feedback on ten projects that we found had questionable value to clients after completing the steps listed above
- Researched applicable regulations and standards associated with research and extension activities, including information from the Cooperative State Research, Education and Extension Service (CSREES)

To determine whether the SUAREC management was aware of all projects and related resources it is responsible for overseeing, we performed the following procedures:

- Reviewed the history of the research and extension functions at Southern University by reviewing various publications and printed sources
- Obtained a listing of the SUAREC's state fiscal year 2003 research and extension projects by reviewing the SUAREC's publications and interviewing SUAREC staff

Financial Management

To determine what improvements are needed in the SUAREC's management of financial data, we performed the following procedures:

- Reviewed applicable portions of the Executive Budget to observe data trends
- Interviewed and consulted with SUAREC administration, SUAREC project managers, and Southern University System officials to obtain revenue and

expenditure data (budget and actual) for the last three fiscal years, broken down by research and extension projects

- Interviewed SUAREC administrators to determine how the SUAREC currently allocates resources to research and extension projects
- Compiled the data submitted to us by the Southern University System and the SUAREC from our financial data requests--numbers from the Southern University System and the SUAREC were inconsistent and we did not audit the accuracy of the financial data
- Reviewed Southern Association of Colleges and Schools (SACS) criteria on maintaining reliable financial data
- Reviewed applicable criteria from the United Nations' Food and Agriculture Organization (FAO) relating to financial data for extension organizations
- Reviewed applicable requirements associated with several grants to determine how financial information is required to be collected and maintained throughout the period of the grant

Resource Management

To determine whether SUAREC management has established and maintained a reliable inventory system to ensure control over assets, we performed the following procedures:

- Requested all project managers (extension specialists and principal investigators) to provide us with lists of inventory used while working on state fiscal year 2003 research and extension projects
- Toured all facilities used to carry out the SUAREC's state fiscal year 2003 research and extension projects, including all rooms in A. O. Williams Hall
- Interviewed SUAREC staff while on these tours to obtain information about equipment
- Reviewed SACS criteria regarding purchasing and inventory management controls

To determine whether SUAREC management has ensured that all resources were adequately maintained and utilized, we performed the following procedures:

- Documented excessive equipment, and equipment and facilities that were not being used, or were in poor condition, while on various tours
- Interviewed SUAREC staff while on these tours to obtain information about equipment and facilities
- Reviewed SACS criteria regarding workplace environment and property maintenance
- Interviewed an official with the Board of Regents to discuss resources at the SUAREC and related issues

Appendix B
State Fiscal Year 2002-2003
SUAREC Research and
Extension Projects

Appendix B: State Fiscal Year 2002-2003 SUAREC Research and Extension Projects

Research Projects

Program: Plant and Animal Production Systems	
Project Name	Project Description
Effects of Grazing Cattle and Goats Together and Separately on Animal Performance	<ul style="list-style-type: none"> • Save money and increase profitability for goat and cattle farmers by researching grazing techniques that will allow farmers to raise these species together • Determine if these grazing techniques will increase weight gain and production of offspring
Efficacy of Kenaf as Forage Crop in the Production of Goats	<ul style="list-style-type: none"> • Develop an alternative forage crop for goat farmers that is easier and faster to grow, requires low amounts of fertilizer, and is high in protein
Modified Hydroponic Systems for Field Production of Strawberry	<ul style="list-style-type: none"> • Develop an economic way to produce organic strawberries (without the use of soil), and to produce strawberries on a limited basis for niche markets
Refinement of Laboratory Methods for Bone Particle Determination in Mechanically Deboned Rabbit Meat	<ul style="list-style-type: none"> • Increase the marketability of rabbit meat to consumers by developing production methods that will allow farmers to market their products
Use of Crawfish Waste in Livestock Diets and Plant Production	<ul style="list-style-type: none"> • Develop uses for crawfish waste as animal feed (protein alternatives) that are commercially feasible
Using Multiple Indices to Measure Quality Deterioration in Value-Added Meat Products	<ul style="list-style-type: none"> • Measuring the deterioration of food products during storage in order to market these products to the public
Program: Human Nutrition, Health, Family and Consumer Sciences	
Project Name	Project Description
Effectiveness of Early Nutritional Intervention Strategies for Head Start Teachers in Louisiana	<ul style="list-style-type: none"> • Increase nutritional knowledge of Head Start teachers, parents, and students through a “train the trainer” program and other interventions
Enhancing Teaching and Recruitment in Food and Fiber Sciences through Computer Technology	<ul style="list-style-type: none"> • Increase use of Computer Aided Design (CAD) in the food and fiber sciences curriculum, and recruitment of high school students into the curriculum at Southern University
Improvement of Kenaf Yarn for Apparel Applications	<ul style="list-style-type: none"> • Identify methods that can be used to treat kenaf to make it suitable for wear
New Technologies for the Utilization of Textile Materials	<ul style="list-style-type: none"> • Study stress on fabrics, including the costs associated with quality printing

Program: Urban Forestry, Natural Resources and Environment	
Project Name	Project Description
Biological Responses of Southern Red Oak and Willow Oak to Hypoxia in the Rhizosphere	<ul style="list-style-type: none"> • Determine how red oak and willow oak trees respond to flood conditions
Development and Application of a GIS-RS Supported NPS-Management Information System	<ul style="list-style-type: none"> • Identify areas vulnerable to non-point source pollution (i.e., movement of fertilizers, pesticides, oil, and grease that are carried to water sources through runoff) through data gathering and analysis • Assess this vulnerability through modeling, and disseminate this information
FS Assessing UV-B Radiation Tolerance of Urban Woody Species	<ul style="list-style-type: none"> • Assess the tolerance of 35 tree species to UV-B radiation (i.e., solar energy on the earth's surface) and its potential effect on humans and the environment
Program: Economics, Marketing, Policy and Community Development	
Project Name	Project Description
Nutrition Label Use, Nutritional Knowledge, and Food Security in Louisiana	<ul style="list-style-type: none"> • Measure the impact of changes resulting from federal laws enacted five years ago regarding nutritional labeling and welfare reform

Extension Projects

Program: Family and Human Development	
Project Name	Project Description
Family Day Care Providers (Child Care)	<ul style="list-style-type: none"> • Provide training and development to child care providers for licensing requirements
Family First: Nutrition Education Wellness System	<ul style="list-style-type: none"> • Provide nutrition education to people receiving food stamps, or those eligible to receive food stamps, in order to provide information on preparing healthy meals
Program: Agriculture and Natural Resources	
Project Name	Project Description
Heifer Project International, Inc. (HPI)	<ul style="list-style-type: none"> • Help groups of limited-resource livestock producers organize and solicit funding from HPI
Risk Management	<ul style="list-style-type: none"> • Educate small farmers and their families on how to manage risk associated with the business of farming
Small Farmers Outreach and Technical Assistance “2501”	<ul style="list-style-type: none"> • Disseminate information on the services offered by the United States Department of Agriculture to small, limited resource farmers and their families
Sustainable Agriculture	<ul style="list-style-type: none"> • Acquaint farmers and extension workers with an overview of organic farming, including production, marketing, and certification
Program: Youth Enrichment	
Project Name	Project Description
Children Youth & Families At Risk (CYFAR)	<ul style="list-style-type: none"> • Tutor children in grades 1-4, primarily 4th graders, who failed the LEAP test or barely passed the LEAP test, so that these children can pass the LEAP test and move to the next grade level
Livestock and Poultry Show and Related Programs	<ul style="list-style-type: none"> • Provide opportunities for children to participate in livestock shows and events • Promote leadership and raising livestock
Youth Educational Support After School Program (YES)	<ul style="list-style-type: none"> • Provide information on stress to SUAREC extension agents • Agents then provide this information as part of the after school learning activities offered to children aged 6-12 locally
Youth Tobacco Prevention	<ul style="list-style-type: none"> • Increase awareness among youth of consequences associated with smoking, and promote youth citizenship and leadership development • Provide a “train the trainer” program for leaders of local clubs throughout the state

Program: Community and Economic Development	
Project Name	Project Description
Faith-Based Health Initiatives	<ul style="list-style-type: none"> • Develop a health curriculum • If funded, solicit volunteers to provide health education in churches
Faith-Based Initiatives and Organizational Development	<ul style="list-style-type: none"> • Coordinate financial planning workshops for churches and other organizations
Program: Health Education	
Project Name	Project Description
Food Safety	<ul style="list-style-type: none"> • Promote food safety through collaboration with other institutions (e.g., University of Wisconsin) to provide information to clients
Healthy Prescriptions	<ul style="list-style-type: none"> • Produce newsletter containing information on health and beauty, holidays, heart attacks, youth smoking • Agents use this to provide information to clients

Appendix C

Listing of Equipment Purchased That Has Never Been Used at the SUAREC

Appendix C: Listing of Equipment Purchased That Has Never Been Used at the SUAREC

Equipment Never Used at the SUAREC Purchased After the Establishment of the SUAREC July 1, 2000	
Equipment	Cost
Server	\$5,000
Supervisor/Work Station(s)	\$17,000
Exhaust Hood and Sinks	\$16,000
Cubicles	\$20,000
Walk-in Freezers	\$67,515
Digitizer Tablet	\$1,435
Vertical Map Holder	\$1,859
Camcorder with GPS	\$3,995
Sterilizer	\$1,000
Safety Cabinet	\$5,000
Hood	\$16,000
Incubator	\$4,000
Safety Cabinet	\$5,000
Blood Chemistry Analyzer	\$12,000
Printer and Isodata Machine	\$8,600
Dual X-Ray Machine	\$77,000
Stainless Steel Sinks, Tables, and Cart	\$65,600
Electric Feed Dryer	\$7,935
Electric Feed Separator	\$12,000
Chairs	\$1,528
Tables	\$1,584
Watchdog Data Logging Monitor	\$1,196
Stretch Wrap Machine	\$349
Crop King Nutrient Injection System	\$3,435
Dolphine Pumps	\$896
8 Station Irrigation Timer	\$398
Crop King NFT Fertroler System	\$1,215
CO ₂ Generator	\$479
Inductional Coupling Plasma	\$87,000
TOTAL	\$445,019
<p>Note: The equipment listed above represents only the equipment where SUAREC officials stated that they have never been used. This listing is not complete. For example, we were unable to identify individual pieces of equipment such as those depicted in Exhibit 16.</p>	

Appendix D

Southern University Agricultural
Research and Extension
Center's Response



SOUTHERN UNIVERSITY AND A&M COLLEGE SYSTEM

BATON ROUGE, LOUISIANA 70813
(225) 771-2011

Baton Rouge, New Orleans,
Shreveport/Bossier City
LOUISIANA

Office of the President
(225) 771-4680

January 7, 2004

Fax Number:
(225) 771-5522

Honorable Grover C. Austin, CPA
First Assistant Legislative Auditor
Legislative Auditor Office
Baton Rouge, Louisiana 70802

Dear Honorable Austin:

Attached is Chancellor Leodrey Williams' response to the Performance Audit of the Southern University Agricultural Research and Extension Center (SUAREC).

Please let me know if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "L. Tarver II".

Leon R. Tarver II, Ph.D.
President
Southern University System

LRT/n



January 7, 2004

Office of the Chancellor
Ashford O. Williams Hall
Post Office Box 10010
Baton Rouge, Louisiana 70813
(225) 771-2242
(225) 771-2861 Fax
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Dr. Leon Tarver II, President
Southern University and A & M College System
Baton Rouge, LA 70813

Dear President Tarver:

Enclosed are SUAREC's written responses addressing the Louisiana Legislative Performance Audit's recommendations.

Though SUAREC agreed or partially agreed with all twelve recommendations in the report, I am delighted to inform your office that we have completed, or are in an advanced stage of completing/implementing all the recommendations as follows:

1. Five (5) of the recommendations (Recommendations 3, 6, 8, 11 and 12) have been implemented.
2. Recommendation 6 which involves training is an ongoing activity with Southern University, Baton Rouge.
3. Recommendation 9 involves the use of outside professional expertise. A professional service contract has been issued to address the matter.
4. Plans for addressing the remaining five (5) recommendations have been initiated and will be completed in a timely manner

I, along with my Administrative Council, are fully committed to correcting the concerns raised in the audit report. I will keep you fully apprised of our progress.

Thank you and your staff for your continued support in this effort. If you have any questions, please call me.

Sincerely,

A handwritten signature in cursive script, reading 'Leodrey Williams'.

Leodrey Williams
Chancellor

Enclosure

Southern University Agricultural Research and Extension Center Performance Checklist for Audit Recommendations

RECOMMENDATIONS	AGREE	PARTIALLY AGREE	DISAGREE
<p>Recommendation 1: The SUAREC management should develop and implement a formal ongoing process to assess who their clients are and where they are located. Included in this evaluation should be a review of the current location of SUAREC extension agents to determine if they are strategically located to best serve SUAREC clients.</p>	X		
<p>Recommendation 2: The SUAREC should develop and implement a formal ongoing process to identify the needs of its clients. This process should include feedback from extension agents and the various advisory committees located in the various parishes in the state. They should also ensure that the process is ongoing in case their client base changes and/or the needs of this client base changes. Such a process should drive program and project development and implementation. Management should document exactly how this process will be conducted. Guidelines and instructions could be placed in the operating policies and procedures that the SUAREC administrators are developing.</p>	X		
<p>Recommendation 3: SUAREC Administration should formalize and implement a process to ensure that research and extension operate as a cohesive unit by improving communication. This should include either converting existing extension specialists to concentrate in agricultural topics or making use of the agricultural specialists that already exist in the Louisiana Cooperative Extension Program. These specialists should ensure that extension agents are aware of current research projects and receive the results of ongoing and completed research projects. This process could include regular meetings, mailings, and teleconferences. The existing technology at the SUAREC television studio could be used for teleconferencing.</p>	X		
<p>Recommendation 4: The SUAREC administrators should ensure that they have a thorough knowledge of the projects and resources they are to manage. This should include creating and maintaining a listing of actual projects conducted and the employees responsible for them.</p>		X	
<p>Recommendation 5: The SUAREC should formally reevaluate each current research project to determine if it has value and will provide a benefit to the clients of SUAREC. This process should be documented and include input from the extension agents and advisory committees throughout the state. If there are no relevant advisory committees for a project in the parishes in which SUAREC has extension agents the SUAREC should determine if these committees exist in the Louisiana Cooperative Extension Service and seek input from those committees.</p>		X	

RECOMMENDATIONS	AGREE	PARTIALLY AGREE	DISAGREE
<p>Recommendation 6: SUAREC should meet with the Southern University Comptroller to determine what skills are necessary to ensure that SUAREC administrators can access accurate accounting information in a timely manner. Training should then be provided to the SUAREC by the Comptroller's Office to address necessary skills.</p>	X		
<p>Recommendation 7: The SUAREC and the Southern System Office should develop a Memorandum of Understanding that sets out the financial and accounting responsibilities of each entity to ensure that SUAREC has access to accurate accounting information in a timely manner.</p>	X		
<p>Recommendation 8: The SUAREC and the Southern University System should meet and develop together a mechanism for allocating expenditures from the state and federal pooled accounts to specific projects.</p>	X		
<p>Recommendation 9: The SUAREC and the Southern University System Office should take immediate action to address the mold and moisture issue in A. O. Williams Hall. SUAREC should hire a professional to evaluate the extent of the damage and contamination and create a plan for removing the mold. This situation should be addressed immediately because the mold may be causing significant damage to A. O. Williams and equipment. In addition, the situation is slowing down work and posing a potential liability to the SUAREC and state.</p>	X		
<p>Recommendation 10: The SUAREC administrators should create an overall resources allocation plan that spells out how to best allocate resources where they are most needed. Proper allocation should ensure that buildings, rooms, and equipment are maintained and usable. Proper planning will ensure that equipment is bought when needed. This plan should address the deteriorating condition of the research farm. Also, SUAREC should plan for the possible influx of \$7 to \$8 Million annually from the desegregation agreement between the SUAREC and LSU.</p>	X		
<p>Recommendation 11: The SUAREC management should develop and implement a system to ensure that all inventory is accounted for and tagged. This includes coordinating with the appropriate entity at the Southern University System responsible for tagging and tracking inventory. Complete and accurate listings of inventory should be maintained and easily accessible by SUAREC staff.</p>		X	
<p>Recommendation 12: The SUAREC management should reevaluate all existing inventory to determine if it is properly tagged.</p>		X	

**SOUTHERN UNIVERSITY
AGRICULTURAL RESEARCH AND EXTENSION CENTER**

Response to Recommendations of the Audited Findings:

Recommendation 1: The SUAREC management should develop and implement a formal ongoing process to assess who their clients are and where they are located. Included in this evaluation should be a review of the current location of SUAREC extension agents to determine if they are strategically located to best serve SUAREC clients.

SUAREC's Response 1 : SUAREC management agrees that it is important to have a formal ongoing process for determining clients' needs, resources allocation and effectiveness on all programs. SUAREC is currently developing and implementing a formal system of evaluation and assessment where stakeholder inputs and the allocation of human capital (including extension field faculty) are major components of the system. The evaluation plan, which is more than 75 percent complete, is expected to be operational and the results will be used to make critical management decisions during the second quarter of 2004. This has been an evolving process where the administration received input from faculty and staff to support the process. Beginning July 1, 2003, the SUAREC administrators created the Office of Planning and Evaluation. A coordinator and two staff persons were assigned to carry out the mandates of the office which fully coincide with the above recommendation.

Recommendation 2: The SUAREC should develop and implement a formal ongoing process to identify the needs of its clients. This process should include feedback from extension agents and the various advisory committees located in the various parishes in the state. They should also ensure that the process is ongoing in case their client base changes and/or the needs of this client base changes. Such a process should drive program and project development and implementation. Management should document exactly how this process will be conducted. Guidelines and instructions could be placed in the operating policies and procedures that the SUAREC administrators are developing.

SUAREC's Response 2: SUAREC agrees with the recommendation to "develop and implement a formal ongoing process to identify the needs of its clients" and is committed to the implementation of programs which are based on the needs of clients. The United States Department of Agriculture (USDA) requires stakeholder input and identification of clientele needs prior to approval of the Plan of Work. To comply with these requirements, SUAREC has established a stakeholder advisory committee structure to include extension agents, research faculty, clientele by interest and program areas, and other stakeholders. This structure includes a Chancellor's Advisory Council with representation from major segments of the Center and stakeholders. Members of the

Chancellor's Advisory Council were selected and are expected to be convened by the first quarter of 2004. Other advisory councils are being established based on identified program areas. It should be noted that each SUAREC extension parish faculty currently has a functioning parish advisory council which provides inputs on clientele needs. Inputs from Parish Advisory Councils are required and extension agents must document such inputs for the appropriate users. These inputs are used to develop the plan of work by SUAREC faculty and administrators. Furthermore, all research proposals are being reviewed critically for evidence of stakeholder input. This is an ongoing process that will enable the SUAREC administration to make timely programmatic adjustments in response to changing clientele base and needs. A draft *Procedure and Policy Manual* for SUAREC that includes the issues raised in the recommendation has been developed.

Recommendation 3: SUAREC Administration should formalize and implement a process to ensure that research and extension operate as a cohesive unit by improving communication. This should include either converting existing extension specialists to concentrate in agricultural topics or making use of the agricultural specialists that already exist in the Louisiana Cooperative Extension Program. These specialists should ensure that extension agents are aware of current research projects and receive the results of ongoing and completed research projects. This process could include regular meetings, mailings, and teleconferences. The existing technology at the SUAREC television studio could be used for teleconferencing.

SUAREC's Response 3: SUAREC administration agrees with the recommendation and believes that in its two years of existence, great progress has been achieved to improve communication, cooperation and *esprit de corps*. This is especially important given that the Center was created from several independent units. SUAREC has several ongoing programs/activities designed to increase communication among various sectors of research and extension units. These include the following:

- The First Annual SUAREC Strategic Planning Retreat was held August 5 – 7, 2003. All SUAREC administrators, faculty and staff participated in the retreat which provided an excellent opportunity to interact and exchange ideas.
- The SUAREC biweekly seminar series is an ongoing activity which is designed to encourage interaction among the three land grant components (teaching, research, and extension).
- The SUAREC and College of Agricultural, Family and Consumer Sciences (CAFCS) Electronic Newsletter sent to all SUAREC and CAFCS personnel has been in circulation since April, 2003. This newsletter highlights activities and accomplishments by personnel from SUAREC and CAFCS.
- The SUAREC Web page (<http://www.suagcenter.com>), logo, and PowerPoint presentation template are intended to ensure effective communication and family oneness for SUAREC personnel and stakeholders. Existing technology at SUAREC will continue to be used to enhance communication for the benefit of clients. The Center has installed a closed circuit television system which

strategically places TV monitors throughout Ashford O. Williams Hall to relay information about events/activities to research and extension personnel.

- On Wednesday, December 17, 2003, a research-extension exchange meeting was held where research and extension faculty and staff had meaningful discussions about clientele needs and other agricultural issues in Louisiana. SUAREC will utilize the documents from this and other meetings to plan programs/projects for clients.

Future Plans:

- SUAREC plans to name research and extension planning teams to focus on its broad areas – agriculture & natural resources (ANR), and family & consumer sciences (FCS).
- Plans are being developed to reassign three research faculty members to part-time extension appointments. Additionally, two new joint research-extension faculty positions that are currently being advertised will be filled. When implemented, this will provide four additional faculty members with extension appointments in the area of ANR and one faculty in the area of FCS to assist with bridging the gap between extension and research.

Additionally, ongoing conversations between SUAREC and LSU Ag Center faculty and staff are enhancing existing working relationships between both institutions.

Recommendation 4: The SUAREC administrators should ensure that they have a thorough knowledge of the projects and resources they are to manage. This should include creating and maintaining a listing of actual projects conducted and the employees responsible for them.

SUAREC's Response 4: The SUAREC administrators agree that it is important to have detailed information about projects, but disagrees with the notion that the SUAREC administrators may not have thorough knowledge of the projects and resources they manage. SUAREC does agree that the current system could be improved to include connecting budgetary and programmatic functions. The Office of Planning and Evaluation in collaboration with the Office of Technology, and both Vice Chancellors for Research and Extension are developing a database to manage research and extension project profiles. This will enable SUAREC to make pertinent and timely decisions about projects.

Recommendation 5: The SUAREC should formally reevaluate each current research project to determine if it has value and will provide a benefit to the clients of SUAREC. This process should be documented and include input from the extension agents and advisory committees throughout the state. If there are no relevant advisory committees for a project in the parishes in which SUAREC has extension agents the SUAREC should determine if these committees exist in the Louisiana Cooperative Extension Service and seek input from those committees.

SUAREC's Response 5: SUAREC partially agrees with this recommendation. A request has been submitted to the United States Department of Agriculture/Cooperative State Research, Education, and Extension Service (USDA/CSREES) in Washington, D.C. for a comprehensive review of the research program in the fall of 2004. USDA/CSREES conducts peer review evaluation. This review will focus on the relevancy of the research to local and national needs, program performance in terms of output and outcomes, adequacy of resources to meet program objectives, and the interrelationship between research and extension. Also, SUAREC is conducting ongoing evaluation of all research projects which will be documented and used to determine the projects that have values to clients. As already stated, a research-extension exchange meeting was held for research and extension faculty and staff to dialogue about clientele needs and other agricultural issues in Louisiana. SUAREC will utilize the results from these meetings to plan programs/projects for clients.

SUAREC wants to clarify that the benefits of research, especially its value(s) regarding new products/enterprises will always be viewed differently by the researcher and the practitioner/educator. The educator is looking for programs/enterprises with immediate benefits to clients. The researcher must be concerned with having new opportunities coming through his/her research for future benefits to clients. Many research projects will never make it off the cutting floor because it will be determined that they did not have the expected value. Others will make it and will become demonstration projects and educators will encourage their adoption by clients. The comments by the Vice Chancellor for Research were intended to emphasize that short term benefits from some research projects may not be readily seen. However, many of the existing projects are expected to benefit clients in the future, or such projects will be dropped from the list of active projects. For instance, a research project involving kenaf was recently terminated based on evaluation results.

As stated under response to Recommendation 2, a draft of the ***Procedure and Policy Manual*** that includes the issues raised in the recommendation has been developed. Stakeholder advisory council structures to include extension agents, research faculty, clientele by interest and program areas, and other stakeholders have been established. Furthermore, our existing proposal review guidelines were modified April 2003 and disseminated to all research scientists to ensure that all proposals emanating from SUAREC **show evidence of stakeholder input** prior to approval. This is an ongoing process which will enable the SUAREC administration to make timely programmatic adjustments in response to changing clientele base and needs.

Recommendation 6: SUAREC should meet with the Southern University Comptroller to determine what skills are necessary to ensure that SUAREC administrators can access accurate accounting information in a timely manner. Training should then be provided to the SUAREC by the Comptroller's Office to address necessary skills.

SUAREC's Response 6: SUAREC agrees with the recommendation. The administration and financial staff are having ongoing conversations with the Southern University Baton Rouge (SUBR) comptroller and financial staff to ensure that SUAREC administrators and financial staff are adequately trained and possess the skills to access SUAREC accounting information in a timely manner. To further support this effort, an accountant, who is to be housed in the SUBR Comptroller's Office, is being employed to serve as a liaison between SUAREC and SUBR Comptroller's Office. The individual will serve as a resource contact in dealing with financial reports and data for the Center. Additionally, project leaders will be trained on basic ways to access, understand, and obtain information about their program financial data.

Recommendation 7: The SUAREC and the Southern System Office should develop a Memorandum of Understanding that sets out the financial and accounting responsibilities of each entity to ensure that SUAREC has access to accurate accounting information in a timely manner.

SUAREC's Response 7: SUAREC agrees with the recommendation and is moving forward to implement the recommendation. The following are examples of progress being made in this area:

- The Chancellors for both SUAREC and SUBR jointly established a Memorandum of Understanding (MOU) Committee on November 4, 2003. Additionally, SUAREC internal MOU committee has developed parameters for a draft MOU for meeting with SUBR officials.
- A MOU between SUBR and SUAREC that governs the financial processes/procedures has been developed by SUAREC and SUBR officials and signed by the chancellors of both institutions.
- The SUAREC administration is developing a plan for training directors/program leaders to be able to have appropriate level of access to the financial systems. The system will ensure that project leaders receive timely financial reports and data. An evaluation component will be implemented to measure directors'/leaders' effectiveness in managing assigned resources.
- Training is scheduled for budget managers on budgets and financial management.

Recommendation 8: The SUAREC and the Southern University System should meet and develop together a mechanism for allocating expenditures from the state and federal pooled accounts to specific projects.

SUAREC's Response 8: SUAREC agrees with the recommendation. The Vice Chancellors for Research and Extension have re-evaluated their respective budgets and have developed a plan for allocating pooled funds into the appropriate research and extension functions. Discussions have been held with the Southern University System to ensure that the accounting system accommodates the budget subcategories and that the proposed system is in compliance with standard university accounting procedures.

Recommendation 9: The SUAREC and the Southern University System Office should take immediate action to address the mold and moisture issue in A. O. Williams Hall. SUAREC should hire a professional to evaluate the extent of the damage and contamination and create a plan for removing the mold. This situation should be addressed immediately because the mold may be causing significant damage to A. O. Williams and equipment. In addition, the situation is slowing down work and posing a potential liability to the SUAREC and state.

SUAREC's Response 9: SUAREC acknowledges this as high priority and has taken immediate steps to quickly and effectively address these concerns. Professional contracts have been issued to address the damage, contamination and mold problems. In the interim, affected ceiling tiles were immediately replaced. Plans are under way to stabilize the heating and cooling system and eliminate the condensation moisture that is responsible for the mold growth on the ceiling.

Recommendation 10: The SUAREC administrators should create an overall resources allocation plan that spells out how to best allocate resources where they are most needed. Proper allocation should ensure that buildings, rooms, and equipment are maintained and usable. Proper planning will ensure that equipment is bought when needed. This plan should address the deteriorating condition of the research farm. Also, SUAREC should plan for the possible influx of \$7 to \$8 Million annually from the desegregation agreement between the SUAREC and LSU.

SUAREC's Response 10: The SUAREC administrators agree with the recommendation but wish to state that Ashford O. Williams Hall was constructed to facilitate anticipated growth and expansion of the research and extension programs. Also, much of its equipment was procured based on current and future needs, and with the assumption that "the possible influx of \$7 to \$8 million annually from the desegregation settlement" was imminent. The Ashford O. Williams Hall, built in part with funds from the settlement of the desegregation suit, was based on the presumption that the State of Louisiana will provide SUAREC additional funds. These funds would be used to help align programmatic functions to include human resources, with the Center's mission and physical capacity. Rather, the Center received funds for facilities and equipment, but no funds to address personnel and programmatic issues. In any case, there is in place, a facilities use plan for Ashford O. Williams Hall and the research farm facilities. The under utilization of space and equipment is due primarily to a shortage in personnel resources. As financial resources become available, additional personnel will be hired to address the aforementioned problem.

A plan is underway to transform the 385-acre Laboratory Farm in Baker to a full-fledged agricultural research and demonstration station. Consequently, dilapidated buildings have been destroyed and plans have been drawn for construction of new buildings and the repairing of certain existing facilities. Following the demolition of an old office building at the research farm, the farm crew was assigned an office in the Maurice Edmond

Livestock Arena which is located on the same land mass. The farm crew, however, chose to use the facility displayed as Exhibit 8 as a temporary work area because of its close proximity to their work sites.

The constant threat of condensation water from the ceiling in certain laboratories forces SUAREC to keep certain equipment covered. Equipment (Exhibit 16 – *At least \$8,000 Worth of Equipment In Lab Unopened for Two Years*) has not been installed because of its sensitivity to impending condensation moisture. Equipment will be installed when these problems are corrected.

Recommendation 11: The SUAREC management should develop and implement a system to ensure that all inventory is accounted for and tagged. This includes coordinating with the appropriate entity at the Southern University System responsible for tagging and tracking inventory. Complete and accurate listings of inventory should be maintained and easily accessible by SUAREC staff.

SUAREC's Response 11: The SUAREC management partially agrees with the recommendation. There is in place, an inventory accountability system which is being upgraded to integrate all components of SUAREC (research, extension, and technology) into a unified system. The Center has appointed an inventory coordinator to work with the research and extension inventory coordinators to manage all inventories. The inventory coordinator also serves as a liaison between SUAREC and the SUBR Office of Property Management. This computerized system is being developed in cooperation with the SUBR Office of Property Management and is maintained by the SUAREC Inventory Coordinator. Only the Systems Coordinator and other designated persons will have access to the system.

The finding in the audit – the approximately \$775,000 of untagged equipment has been corrected. All of the equipment have been tagged and have been input into the new inventory system.

Recommendation 12: The SUAREC management should reevaluate all existing inventory to determine if it is properly tagged.

SUAREC's Response 12: The SUAREC management partially agrees with the recommendation. All inventories were re-evaluated, and all inventories valued at \$1,000 and over are properly tagged in accordance with state guidelines. This effort is being coordinated in cooperation with the SUBR Office of Property Management.