1997

Louisiana

Single Audit Report for the Year Ended June 30, 1997

Daniel G. Kyle, Ph.D., CPA, CFE, CGFM
Legislative Auditor

STATE OF LOUISIANA

Independent Auditor's Reports on
Compliance With State and Federal Laws
and Regulations, Internal Controls, and
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

The Auditor's Report on the State of Louisiana's General Purpose Financial Statements dated February 27, 1998, has been issued under separate cover.

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge, New Orleans, and Shreveport offices of the Legislative Auditor. Copies of this report are also being submitted to the federal clearinghouse. The clearinghouse will retain an archival copy of the report and also distribute a copy of the report to each federal awarding agency or pass-through entity that provided federal financial assistance to the State of Louisiana for which audit findings were disclosed in the schedules of findings and questioned costs or the summary schedule of prior federal audit findings. The report is also being transmitted to the Regional Inspector General for Audit of the United States Department of Education, which is the cognizant federal agency for the Single Audit of the State of Louisiana.

March 31, 1998

To the Governor, the Members of the Legislature, and the Taxpayers of Louisiana

The State of Louisiana Single Audit Report, together with the *Comprehensive Annual Financial Report*, provides an overview of the operations of Louisiana state government for the fiscal year ended June 30, 1997. Each year the Louisiana Legislative Auditor audits the activities of state government's departments, agencies, universities, and other organizational units to ensure accountability and to review agency compliance with certain laws and regulations relating to financial matters. The results of the Single Audit of Louisiana, including reportable audit findings, are included in my Single Audit Report.

As a result of my audit of the 1997 *Comprehensive Annual Financial Report*, I issued a qualified opinion on the state's general purpose financial statements contained in the separately issued Louisiana *Comprehensive Annual Financial Report*. My opinion was qualified because the state's General Fund financial statements include an unexplained reconciling item of approximately $2 million that is adjusted through revenue to make the Combined Balance Sheet and Combined Statement of Revenues, Expenditures, and Changes in Fund Balance reconcile. Because this item could not be identified, its effect on assets, liabilities, fund balance, revenues, and expenditures could not be determined.

The 1997 Single Audit Report includes my report on the Schedule of Expenditures of Federal Awards, along with my reports on compliance with laws and regulations and internal control over financial reporting and federal programs for the State of Louisiana. The reports contain more than 80 matters that require the attention of state government.

The Executive Summary highlights the statewide issues that are major concerns as well as issues that are material to the state's financial operations. Of specific concern are the findings that have been repeated for several consecutive years.

Louisiana's governmental leadership continues to face many challenges and many difficult decisions including changes in law, resources, and technology. These changes represent challenges that we must face with integrity, intelligence, and foresight. As Legislative Auditor, I am committed to providing accurate, timely, and relevant information to the legislature and taxpayers of Louisiana to assist them in addressing the current problems facing our state.

Sincerely,

Daniel G. Kyle, CPA, CFE
Legislative Auditor

STATE OF LOUISIANA

SINGLE AUDIT REPORT
For the Fiscal Year Ended June 30, 1997

CONTENTS

		Page No.
Executive Summary		vii
Audit Reports:		
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*		1
Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133		5
	Schedule	**Page No.**
Schedules of Findings and Questioned Costs:		
Summary of Auditor's Results	A	9
Financial Statement Findings	B	11
Federal Award Findings and Questioned Costs	C	77
Schedule of Unresolved Prior Audit Findings	D	129
	Appendix	
Schedule of Expenditures of Federal Awards and Notes to the Schedule of Expenditures of Federal Awards	A	
Management's Corrective Action Plans and Responses to the Findings and Recommendations	B	
Findings and Recommendations, Index by State Agency	C	
Summary Schedule of Prior Federal Audit Findings	D	
Acknowledgments		

Executive Summary

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1997

Introduction

The Single Audit Report for the fiscal year ended June 30, 1997, contains the Schedule of Expenditures of Federal Awards along with the auditor's report thereon. Also included are the auditor's reports on internal control and compliance related to the financial statements and internal control and compliance related to major federal award programs. These audit reports are supported by the schedules of findings and questioned costs in the accompanying report.

The single audit, as performed by the Louisiana Legislative Auditor and other auditors, meets the requirements of the Single Audit Act as amended in 1996, and the associated U.S. Office of Management and Budget (OMB) Circular A-133.

The single audit includes various departments, agencies, universities, and other organizational units included in the Comprehensive Annual Financial Report of the State of Louisiana using the criteria established by Governmental Accounting Standards Board Statement 14, "The Financial Reporting Entity." Status as a component unit was determined by evaluating the primary government's financial accountability, which includes selection of a voting majority of the governing authority, imposition of will, financial benefit and/or burden, and fiscal dependence.

Our Mission

To provide legislative oversight relating to the use of public funds within Louisiana's state and local governments

Our Objectives

- To provide the legislature and other public officials with accurate and relevant information for use in their decision-making process
- To provide quality audit services for state and local governments
- To evaluate the effectiveness, efficiency, and usefulness of state programs
- To project a positive public image
- To maintain a high degree of professionalism within the organization
- To provide a satisfying and rewarding place to work

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1997

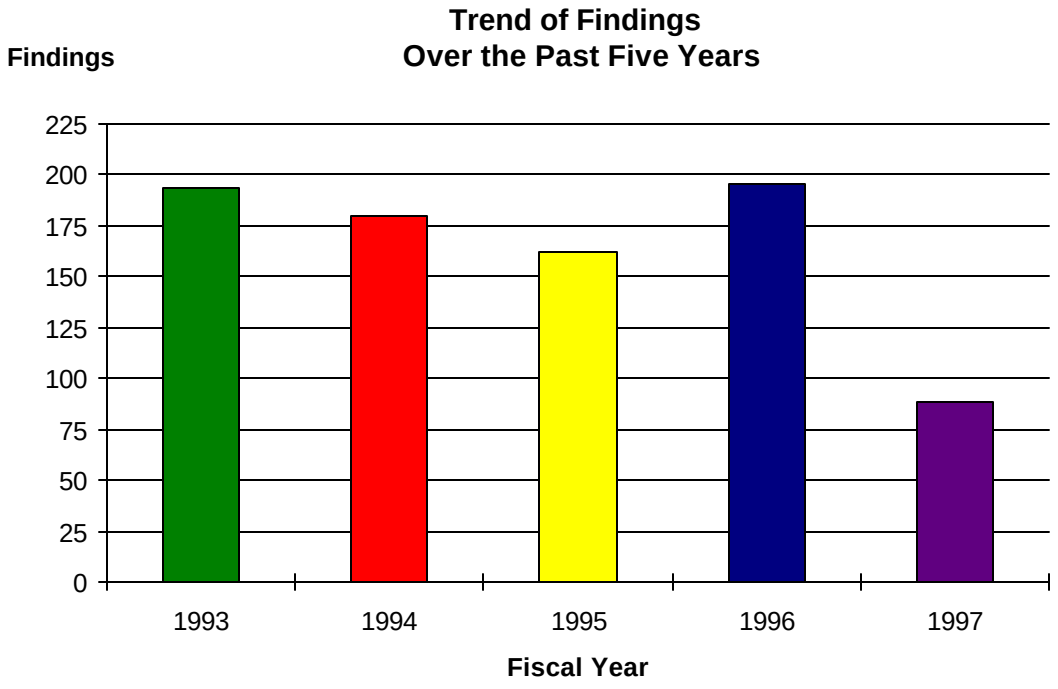
Findings and Questioned Costs

As a result of auditing Louisiana's general purpose financial statements and Schedule of Expenditures of Federal Awards, we noted certain deficiencies concerning internal controls and compliance with laws and regulations. These deficiencies are presented in the schedules of findings and questioned costs as described in the Table of Contents of the accompanying report.

Our audit for fiscal year ended June 30, 1997, indicated that approximately 50 percent of the findings reported in the prior audit were resolved. A total of 88 findings was reported within this year's Single Audit Report. This total includes 42 repeat findings (48 percent) that were unresolved issues from the prior audit.

The 1997 Single Audit Report disclosed questioned costs of $2,511,911, which are detailed within the findings that are presented in the Schedule of Federal Award Findings and Questioned Costs (Schedule C) of the accompanying report. The resolution of these questioned costs will be determined by the respective grantors.

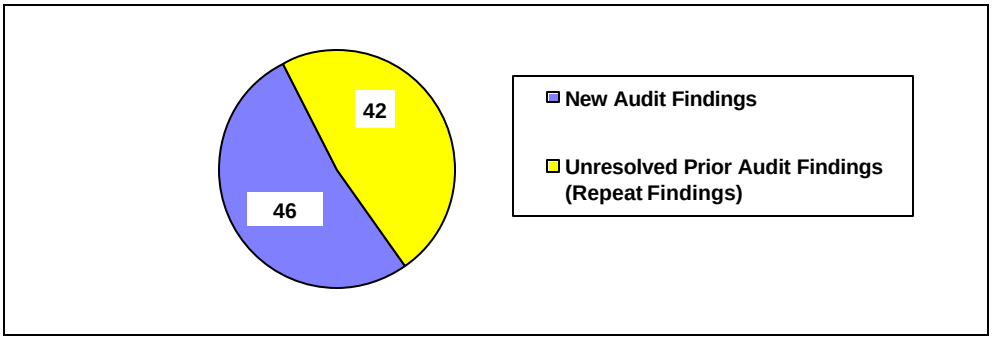
Below and on the following page are graphical descriptions of the trend of total findings over the past five years, the number of repeat findings as compared to new findings for this fiscal year, and the state's reported questioned costs over the past five years. It is important to note that the criteria for reporting federal findings were changed significantly by OMB Circular A-133, which explains in part the reduction in findings this year.



EXECUTIVE SUMMARY

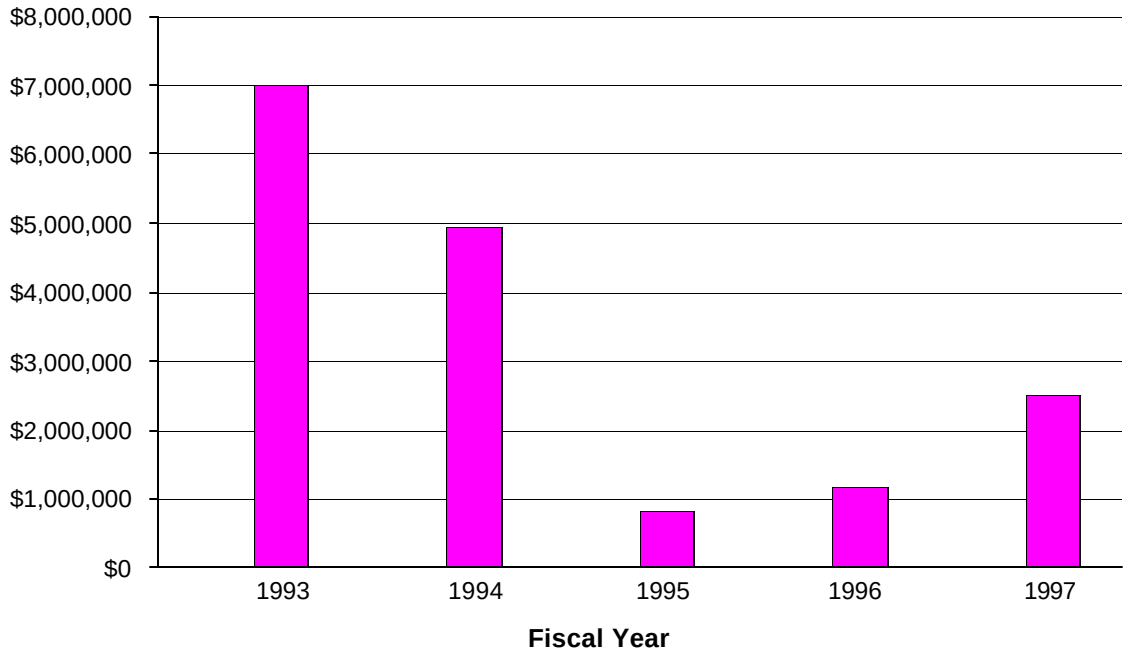
For the Fiscal Year Ended June 30, 1997

Fiscal Year 1997
Comparison of Repeat Findings
to New Findings



Trend of Questioned Costs
Over the Past Five Years

Questioned Costs



EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1997

Statewide Areas of Concern

Five findings were reported in the 1997 Single Audit Report that warrant statewide concern. Two of the findings represent material findings. "Inadequate Compilation Process" represents a material instance of noncompliance, and "Ineffective Internal Audit Function" represents a material weakness in internal control. For a finding to be considered a statewide concern, it has one or more of the following characteristics:

1. It exists at numerous departments throughout the state.
2. It arises from current statewide policies that do not satisfactorily address the state's needs.
3. It could have a significant fiscal impact on either the state as a whole or on a segment of the state.

Material Findings

Inadequate Compilation Process

For the second consecutive year, the Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP) did not have adequate procedures for compiling the state's *Comprehensive Annual Financial Report (CAFR)*. The initial draft of the *CAFR* contained significant reporting errors that were later corrected for the final report. Furthermore, the *CAFR* was not issued by the statutory deadline required by Louisiana law. The delay in issuing the report was caused by the inadequate compilation procedures and by the implementation of a new computer accounting system. The current compilation process has deficiencies in that (1) OSRAP is unable to reconcile prior year fund balance as reported in the computerized accounting system to prior year fund balance as reported in the prior year's *CAFR* for the General Fund, and (2) many errors are not identified and corrected by OSRAP employees in the normal course of performing their assigned functions or in the supervisory review process.

OSRAP should develop a compilation process that reconciles the General Fund fund balance in a timely manner. Also, OSRAP should perform analytical procedures and improve its supervisory review of financial information and note disclosures to detect and correct errors in a timely manner before submitting that information to the auditors.

Ineffective Internal Audit Function

For the fifteenth consecutive year, the State of Louisiana did not have an effective internal audit function for state government to examine, evaluate, and report on its internal controls, including data processing, and to evaluate its compliance with the policies and procedures of the control system.

Although internal audit resources exist within some agencies, our study and evaluation of the state's internal controls found that an effective internal audit function did not exist at eight state agencies, one state university, and one developmental center. An effective internal audit function is needed to ensure that the state's assets are safeguarded and that state policies and procedures are uniformly applied.

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1997

Other Statewide Findings

Improper Use of Nonrecurring Revenue

For the second consecutive year, the State of Louisiana did not use nonrecurring revenue to retire or defease bonds "in addition to existing amortization requirements of the state," as required by both the Louisiana Constitution and the Appropriation Act (Act 6 of the 1996 Regular Session). State fiscal policy for 1996 and 1997 merely transferred the financing of short-term debt service payments to the General Fund instead of the Bond Security and Redemption Fund (BSRF). As a result, BSRF was used to reimburse the General Fund through transfers rather than making additional debt service payments.

On June 14, 1996, the Revenue Estimating Conference declared nonrecurring revenue of $145,689,000, resulting from the General Fund unreserved - undesignated fund balance for fiscal year ended June 30, 1995, and the money was placed in an escrow agent bank account on June 25, 1996. This money was used during fiscal year 1997 for regularly scheduled debt service payments. BSRF then transferred current year collections not needed for current debt service payments to the state General Fund, effectively reimbursing the state General Fund. Regular debt service payments could have been paid from current collections and the nonrecurring revenue resulting from the General Fund surplus could have been used to retire debt in addition to current debt service requirements.

The current practice of paying short-term debt service requirements with nonrecurring revenue results in no significant long-term financial benefits to the state and makes the expected benefits of the Constitutional Amendment unrealizable.

Management should use nonrecurring revenues to retire or defease bonds "in addition to the existing amortization requirements," instead of using the funds to meet existing (short-term) amortization requirements.

Noncompliance With State's Movable Property Regulations

The State of Louisiana did not ensure that all state agencies, hospitals, universities, and component units maintain adequate internal controls over movable property as prescribed by the Commissioner of Administration and Louisiana law. The state's policies and procedures should be uniformly applied to ensure that movable property is adequately safeguarded and accurately reported in the financial statements.

Our audit of movable property records throughout the state disclosed that eleven state agencies, five technical colleges, four state universities, two state hospitals, two state schools, and one state board have not maintained an adequate movable property control system. Many of these agencies have had movable property audit findings for several years.

The State of Louisiana should take necessary measures to ensure that all state agencies, hospitals, universities, and component units maintain adequate internal accounting controls over movable property to comply with the state movable property regulations as prescribed by the Commissioner of Administration and Louisiana law.

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1997

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1997

Inadequate Controls in State's Electronic Data Processing Systems

The State of Louisiana did not have adequate internal controls at the agency level for the Advanced Governmental Purchasing System (AGPS) and the Governmental Financial System (GFS). Access to these systems is restricted through the use of passwords and user identification (ID) codes; however, this access was not properly restricted to ensure that the integrity of data is maintained.

Effective internal controls provide that (1) individuals should be permitted business-need-only access to data files and functions necessary to perform their normal duties; (2) written procedures should be established for the issuance and timely deletion of user ID codes; (3) duties should be segregated so that no one employee is in a position to both initiate and conceal errors or fraud; and (4) documentation should be maintained for system applications and authorization of user access.

Failure to establish adequate controls in an on-line data entry environment could result in the loss of data and the failure to prevent or detect errors or fraud in processing transactions.

Our audit of internal controls relating to AGPS and GFS throughout the state disclosed that effective internal controls did not exist in six state agencies and one state hospital.

The State of Louisiana and its agencies should take the necessary measures to ensure that employees' duties are properly segregated and that user IDs assigned to individuals are valid and used only by that individual. In addition, written controls and procedures should be developed and implemented so that the Security Administrators are notified immediately of any change in employment status or duties of individuals so that the user IDs for individuals that no longer require access can be disabled timely.

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1997

Medicaid Program

Following is a summary of several findings included in the accompanying report concerning the operations and compliance with the requirements of the Medicaid Program. This program, officially known as the Medical Assistance Program (CFDA 93.778), is the largest program that is administered by the State of Louisiana representing over $2.7 billion.

Audits of Federal Subrecipients and State Contractors Not Obtained

For the second consecutive year, the Department of Health and Hospitals (DHH) failed to adhere to federal requirements and departmental policies that require audits of subrecipients and social services contractors.

Failure to Reimburse Federal Share of Checks Outstanding More Than 180 Days

DHH has failed to properly account for Medical Assistance Program checks outstanding more than 180 days resulting in questioned costs of $368,258. These conditions occurred because DHH has not ensured that the fiscal intermediary has adjusted transactions timely.

Failure to Reimburse Federal Share of Provider Overpayments

DHH understated the balance of provider overpayments in the Medical Assistance Program by $558,432, and failed to return an estimated $428,292 in federal financial participation for this overpayment to the Health Care Financing Administration resulting in questioned costs of $428,292.

Laboratory Services Payment Errors

For the second consecutive year, DHH may have overpaid providers in the Medical Assistance Program for automated chemistry and urinalysis laboratory procedures resulting in questioned costs of $560. The overpayment is estimated at $184,756.

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1997

Medicaid Eligibility Determination Errors

For the second consecutive year, DHH has not established eligibility for recipients in the Medical Assistance Program in accordance with federal and state regulations and departmental policies and procedures resulting in questioned costs of $156,478.

Medicaid Third Party Liability Errors

For the second consecutive year, DHH has not adequately identified and recorded the existence of private health insurance for all recipients of the Medical Assistance Program, and DHH has not ensured that Medicaid recipients have been informed that assignment of rights to private insurance to Medicaid is automatic resulting in questioned costs of $61,196.

Electronic Data Processing Control Weaknesses

DHH has not ensured that UNISYS, the fiscal intermediary with which the department contracts to process medical claims for the Medical Assistance Program, has established an adequate internal control structure relating to electronic data processing controls.

Medicaid Cash Management Errors

For the fourth consecutive year, DHH has not complied with the Cash Management Improvement Act agreement. Our audit disclosed several problems including overdrawn assistance payments, forgone interest earnings, and underdrawn Medicare Buy-In Funds. These problems resulted in an estimated total cost to the state of $585,790 for interest costs and interest forgone.

EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1997

Expenditures of Federal Awards

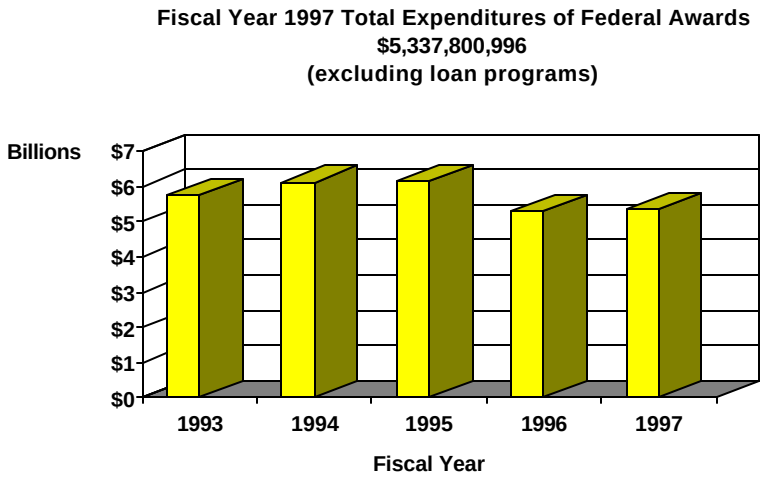
In addition to examining the state's general purpose financial statements, we examined expenditures of federal award programs administered by the State of Louisiana reporting entity. For the fiscal year ended June 30, 1997, the State of Louisiana reported approximately $6.4 billion in monetary and non-monetary activity (including loan programs) for the federal award programs administered by the state.

Major federal award programs within the State of Louisiana were identified on a statewide basis in accordance with the criteria established by the Office of Management and Budget (OMB) Circular A-133 and the Single Audit Act as amended in 1996. Major federal award programs for the year ended June 30, 1997, are programs for which total expenditures (activity) by the state and the federal government's risk in outstanding loan balances exceeded $16,206,363 million for the fiscal year. Cumulatively, these programs accounted for approximately 94 percent of the state's expenditures (activity) of federal award programs for the year ended June 30, 1997.

We performed our audit considering the internal controls and procedures relevant to compliance with requirements applicable to federal award programs as required by OMB Circular A-133. We obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk. We performed procedures to determine whether the State of Louisiana had complied with the applicable compliance requirements of major programs as identified in the *OMB Circular A-133 Provisional Compliance Supplement* issued in June 1997.

The following graph illustrates the trend of total expenditures of federal awards disbursed by the state (excluding the loan balances) over the past five years.

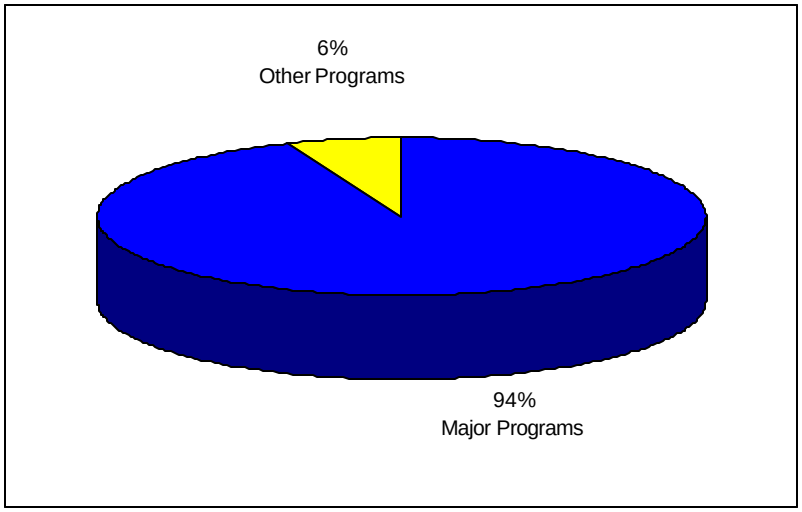
Trend of Expenditures of Federal Awards
Over the Past Five Years



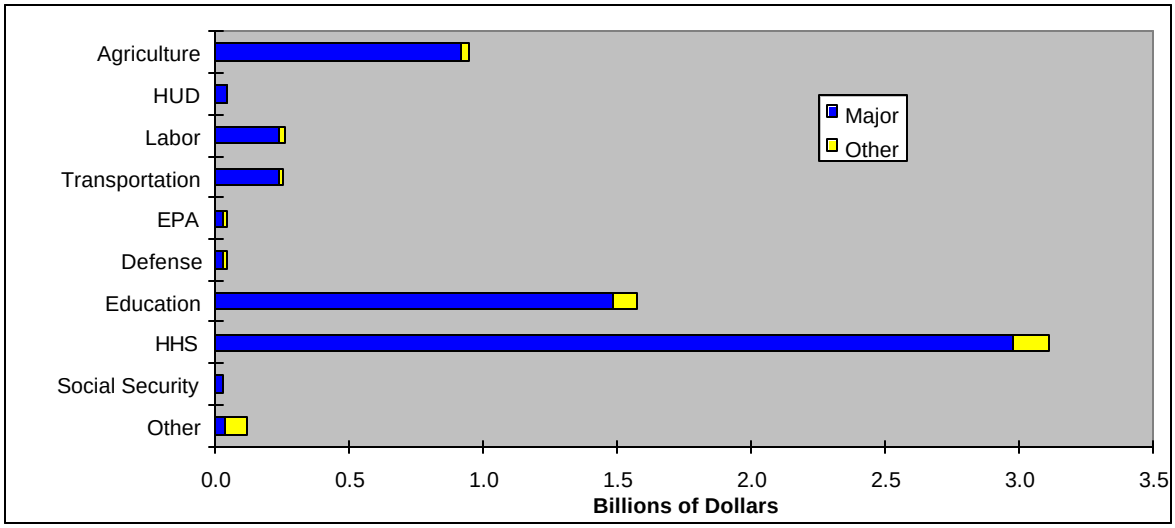
EXECUTIVE SUMMARY

For the Fiscal Year Ended June 30, 1997

Fiscal Year 1997
Major vs. Other Programs
(including loan programs)



Fiscal Year 1997
Expenditures of Federal Awards
by Federal Agency
$6,402,797,008
(including loan programs)



Audit Reports

OFFICE OF
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March 9, 1998

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

HONORABLE MURPHY J. "MIKE" FOSTER, JR., GOVERNOR
HONORABLE RANDY L. EWING, PRESIDENT, AND
MEMBERS OF THE SENATE
HONORABLE H. B. "HUNT" DOWNER, JR., SPEAKER, AND
MEMBERS OF THE HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
Baton Rouge, Louisiana

We have audited the general purpose financial statements of the State of Louisiana as of and for the year ended June 30, 1997, and have issued our report thereon dated February 27, 1998. The scope of our audit of the general purpose financial statements was limited, in that the state's General Fund financial statements include an unexplained reconciling item of approximately $2 million adjusted through revenue, and its effect on assets, liabilities, fund balance, revenues, and expenditures cannot be determined. This resulted in a qualified opinion to the general purpose financial statements. We did not audit the financial statements of certain component units of the State of Louisiana. Those financial statements were audited by other auditors whose reports have been furnished to us. This report, insofar as it relates to those component units, is based solely on the reports of other auditors.

Except as discussed in the first paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the State of Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests of compliance disclosed the instance of noncompliance titled "Inadequate Compilation Process" in Schedule B page 18 that may be material to the general purpose financial

statements, but for which the ultimate resolution cannot presently be determined. In addition, the results of our tests disclosed other instances of noncompliance described in Schedule B (pages 11 through 50) and Schedule C (pages 77 through 127) that, although not material to the financial statements, are required to be reported herein under *Government Auditing Standards*. We also noted other insignificant instances of noncompliance in separate letters to management that are not required to be reported herein under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the State of Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the State of Louisiana's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in Schedule B (pages 50 through 76) and Schedule C (pages 77 through 127) of the accompanying schedules of findings and questioned costs.

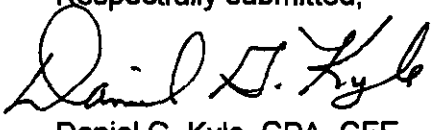
A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider the items described in Schedule B pages 18 through 20 and pages 50 through 51 to be material weaknesses. We also noted other matters involving the internal control over financial reporting in separate letters to management, which are not required to be reported herein under *Government Auditing Standards*.

HONORABLE MURPHY J. "MIKE" FOSTER, JR., GOVERNOR
HONORABLE RANDY L. EWING, PRESIDENT, AND
MEMBERS OF THE SENATE
HONORABLE H. B. "HUNT" DOWNER, JR., SPEAKER, AND
MEMBERS OF THE HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
March 9, 1998

In connection with our audit, we reviewed the prior year findings on compliance and internal control to determine whether management had implemented appropriate action to correct the conditions giving rise to those findings. The results of our review indicate that management had taken appropriate corrective action with respect to the prior year findings, except for the matters described in the Schedule of Unresolved Prior Audit Findings (Schedule D, page 129), which have been addressed in our current report.

This report is intended for the information and use of the Governor and certain other statewide elected officials of the State of Louisiana and their appointees (management) as well as federal awarding agencies and pass-through entities. However, by provisions of state law, this report is a public document, and it has been distributed to the Louisiana Legislature and other public officials.

Respectfully submitted,



Daniel G. Kyle, CPA, CFE
Legislative Auditor

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[SA97]

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March 9, 1998

Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

HONORABLE MURPHY J. "MIKE" FOSTER, JR., GOVERNOR
HONORABLE RANDY L. EWING, PRESIDENT, AND
MEMBERS OF THE SENATE
HONORABLE H. B. "HUNT" DOWNER, JR., SPEAKER, AND
MEMBERS OF THE HOUSE OF REPRESENTATIVES
STATE OF LOUISIANA
Baton Rouge, Louisiana

Compliance

We have audited the compliance of the State of Louisiana with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1997. The State of Louisiana's major federal programs are identified in the Summary of Auditor's Results section (Schedule A, page 10) of the accompanying schedules of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Governor and other statewide elected officials of the State of Louisiana and their appointees (management). Our responsibility is to express an opinion on the State of Louisiana's compliance based on our audit. We did not audit compliance with those requirements by Grambling State University and the Southern University System. Compliance with the requirements by those universities was tested by other auditors whose reports have been furnished to us. Our report, insofar as it relates to compliance with the requirements referred to previously by those universities, is based solely on the reports of the other auditors.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the State of Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the State of Louisiana's compliance with those requirements.

In our opinion, based on our audit and the reports of the other auditors, the State of Louisiana complied, in all material respects, with the requirements referred to previously that are applicable to each of its major federal programs for the year ended June 30, 1997. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in Schedule C (pages 77 through 127) of the accompanying schedules of findings and questioned costs.

Internal Control Over Compliance

The Governor and other statewide elected officials of the State of Louisiana and their appointees (management) are responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the State of Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133. We did not consider the internal controls, *including applicable internal administrative controls, used in administering federal award* programs of Grambling State University and the Southern University System. Those internal controls, including applicable internal administrative controls, were considered by other auditors whose reports have been furnished to us. Our report, insofar as it relates to the internal controls used in administering federal award programs of those universities is based solely on the reports of the other auditors.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over *compliance that, in our judgment, could adversely affect the State of Louisiana's ability to* administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in Schedule C (pages 77 through 127) of the accompanying schedules of findings and questioned costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely

period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described previously is a material weakness.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the State of Louisiana as of and for the year ended June 30, 1997, and have issued our report thereon dated February 27, 1998. The scope of our audit of the general purpose financial statements was limited, in that the state's General Fund financial statements include an unexplained reconciling item of approximately $2 million adjusted through revenue, and its effect on assets, liabilities, fund balance, revenues, and expenditures cannot be determined. This resulted in a qualified opinion to the general purpose financial statements. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards (Appendix A) is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Except for the matter relating to an unexplained reconciling item, such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements.

Certain portions of the Schedule of Expenditures of Federal Awards accompanying this report were not audited by us, but were audited by other auditors, including federal award programs administered by Grambling State University and the Southern University System. The federal award programs for those universities reflect total activity and the federal government's risk in their outstanding loan balances of $74,016,659, which comprise approximately one percent of total activity and the federal government's risk in outstanding loan balances for the state as of and for the year ended June 30, 1997. Those schedules of expenditures of federal awards were audited by other auditors whose reports have been furnished to us, and our assurance, insofar as it relates to the amounts included for the above mentioned universities, is based solely on the reports of the other auditors.

In our opinion, based on our audit and the reports of other auditors, except for the effects of the unexplained General Fund reconciling item mentioned previously, the information in the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

In connection with our audit, we reviewed the prior year findings on compliance and internal control to determine whether management had implemented appropriate action to correct the conditions giving rise to those findings. The results of our review indicate that management had taken appropriate corrective action with respect to the prior year findings, except for the matters described in the Schedule of Unresolved Prior Audit Findings (Schedule D, page 129), which have been addressed in our current report.

This report is intended for the information and use of the Governor and certain other statewide elected officials of the State of Louisiana and their appointees (management) as well as federal awarding agencies and pass-through entities. However, by provisions of state law, this report is a public document, and it has been distributed to the Louisiana Legislature and other public officials.

Respectfully submitted,

Daniel G. Kyle, CPA, CFE
Legislative Auditor

MVG:MWB:dl

[SA97]

Schedule A

Summary of Auditor's Results
For the Year Ended June 30, 1997

Schedule A

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Summary of Auditor's Results
For the Year Ended June 30, 1997

Financial Statements

Type of auditor's report issued:	Qualified
Internal control over financial reporting:	
Material weakness(es) identified?	X yes ____ no
Reportable condition(s) identified not considered to be material weaknesses?	X yes ____ none reported
Noncompliance material to financial statements noted?	X yes ____ no

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unqualified for all major programs
Internal control over major programs:	
Material weakness(es) identified?	____ yes X no
Reportable condition(s) identified not considered to be material weaknesses?	X yes ____ none reported
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	X yes ____ no

Schedule A

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Summary of Auditor's Results (Concluded)

Federal Awards (Cont.)

Identification of major programs:

CFDA Number(s) - Name of Federal Program or Cluster

10.550 - Food Distribution
10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children
10.565 - Commodity Supplemental Food Program
14.228 - Community Development Block Grants/State's Program
17.225 - Unemployment Insurance
17.246 - Employment and Training Assistance - Dislocated Workers
17.250 - Job Training Partnership Act
20.205 - Highway Planning and Construction
66.458 - Capitalization Grants for State Revolving Funds
84.010 - Title I Grants to Local Educational Agencies
84.027 - Special Education - Grants to States
84.048 - *Vocational Education - Basic Grants to States*
84.126 - Rehabilitation Services - Vocational Rehabilitation Grants to States
93.558 - Temporary Assistance for Needy Families
93.560 - Family Support Payments to States - Assistance Payments
93.575 - Child Care and Development Block Grant
93.658 - Foster Care - Title IV-E
93.667 - Social Services Block Grant
93.959 - Block Grants for Prevention and Treatment of Substance Abuse
96.001 - Social Security - Disability Insurance
Food Stamp Cluster
Nutrition Cluster
Student Financial Assistance Cluster
Medicaid Cluster
Research and Development Cluster

Dollar threshold used to distinguish between
Type A and Type B programs: $16,206,363

Auditee qualified as low-risk auditee? ____ yes __X__ no

Schedule B

Financial Statement Findings
For the Year Ended June 30, 1997

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Financial Statement Findings
For the Year Ended June 30, 1997

COMPLIANCE WITH LAWS, REGULATIONS, CONTRACTS, AND GRANTS

AGRICULTURE AND FORESTRY, DEPARTMENT OF

Noncompliance With the Louisiana *Procurement Code*

The Department of Agriculture and Forestry purchased goods and services totaling $1,471,981 and $999,919, respectively, for fiscal years 1997 and 1996 without complying with the Louisiana Procurement Code. Louisiana Revised Statute (R.S.) 39:1551-1755, commonly referred to as the Louisiana Procurement Code, provides the framework for purchasing by state agencies. R.S. 39:1561 charges the Commissioner of Administration with the authority and responsibility to promulgate regulations, consistent with the Louisiana Procurement Code, governing the procurement, management, and control of goods and services procured by the state. The regulations promulgated by the Commissioner are contained in Title 34, Part 1 of the Louisiana Procurement Code and specify various rules regarding when a purchase must be advertised and purchased from the lowest responsible bidder.

The department acquired computer equipment and software, dozer tractors, and other goods and services for which bids were not obtained. These goods and services were obtained through the Louisiana Agriculture Finance Authority (LAFA), which is exempt from the requirements of the Procurement Code. Subsequently, the department reimbursed LAFA for the cost of the goods and services purchased on its behalf. Since the department was the ultimate purchaser of the goods and services, the department should have purchased the goods and services in compliance with the Louisiana Procurement Code. Because the department failed to follow the provisions of the Procurement Code, there is increased risk that the goods and services were not obtained at the best possible prices.

The Department of Agriculture and Forestry should obtain the necessary bids for all its purchases. In a letter dated November 14, 1997, Mr. Skip Rhorer, Acting Assistant Commissioner, stated that the department does not concur with this audit finding for the following reasons:

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

"For the third consecutive year, the auditor fails to recognize or acknowledge the statutory authority of the Louisiana Agricultural Finance Authority (LAFA), an authority within the Department of Agriculture and Forestry, expressly authorized to acquire, construct, renovate, equip and maintain the offices and related facilities of the Department of Agriculture and Forestry (R.S. 3:266 (14) (20); 3:1907.B (2) (3); 3:1317 (2) (b) (c); 3:3210 (C) (2) (3) (4). The Department notes that this audit finding is essentially a restatement of the audit finding of the FY-95 and FY-96 audit report and, accordingly, the Department adopts by reference its prior response.

"Further responding, the Department wishes to note that the audit finding is correct in advising that LAFA is exempt from the requirements of the Procurement Code, R.S. 3:266 (14), R.S. 3:274.

"Second the auditor seems to be saying that while LAFA is in compliance in making the acquisition of the described items, the Department is not, as the Department ends up with title to the items. In short, the auditor seems to complain that LAFA, a State agency, is making acquisitions on behalf of the Department, another State agency. If that is the nature of the auditor's concern, it should be noted that R.S. 39:1701 *et seq.* and more particularly, R.S. 39:1703 and 1704 also seem to expressly authorize the described activity, if such activity needs further authorization.

"The Department has concluded that the procurement procedures are in compliance with the law and that no modification of procedure is required. However, after reviewing procedures and conferring with the auditor, the Department has determined an available method that will permit LAFA to function as intended and authorized by law, that will also satisfy the auditor. Rental agreements have been amended and rental revenue is being generated by LAFA, and this money is being used to pay maintenance and equipment costs for the Department of Agriculture and Forestry." See management's response at B-3.

Additional Comments: We recognize the statutory authority of LAFA contained within R.S. 3:266. However, we continue to assert that appropriated funds of the Department of Agriculture and Forestry should not be spent by LAFA, a non-appropriated state entity, that is exempt from the requirements of the Louisiana Procurement Code. Since the department was the ultimate purchaser of the goods and services, the department should have purchased the goods and services in compliance with the Louisiana Procurement Code. While R.S. 39:1703 and 1704 do address cooperative purchasing among public procurement units, they do not allow for reimbursement of goods and services purchased by another unit whose procurement requirements are not as strict.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

EDUCATION, DEPARTMENT OF

***Inadequate Administration of* Minimum Foundation Program**

The State Department of Education (SDE) has not audited financial data reported by the parish and city school systems used in the cost determination of the Minimum Foundation Program (MFP) for public elementary and secondary education, as required by state laws and regulations. In addition, the SDE transferred $100,000 to another state agency from funds appropriated for the MFP without obtaining the approval of the Joint Legislative Committee on the Budget.

R.S. 17:7(d) requires the Board of Elementary and Secondary Education through the SDE to provide a program of fiscal accountability for purposes of providing an audit, evaluation, and computerization of data submitted by the parish and city school systems and used in the MFP. The SDE established the Educational Finance Services section within the Office of Management and Finance to meet this requirement. In addition, Attorney General Opinion 89-185 states that the obligation to divide MFP funds equitably carries with it a corresponding duty to ensure that the funds so distributed are allocated in accordance with law by verifying the information submitted by the school boards to support the allocations. Finally, R.S. 39:73(c) requires the approval of the Commissioner of Administration and the Joint Legislative Committee on the Budget for the transfer of funds between programs in a budget unit.

For the year ended June 30, 1997, the SDE expended approximately $1.9 billion in state General Fund monies appropriated for the purpose of funding MFP. However, we noted the following weaknesses:

- The SDE did not audit the prior year financial data reported by the parish and city school systems, as required by state laws and regulations. This data reflected special education costs of approximately $444 million and transportation costs of approximately $196.6 million. In addition, certain other expenditures totaling approximately $2.2 billion were not audited by the SDE, but were used in calculating the state average per pupil amount for 1996-97, a major component in the MFP formula. Because the SDE did not audit this data, it cannot be reasonably ensured that approximately $1.9 billion in state General Fund monies were distributed equitably through MFP. The MFP audit supervisor informed us that the SDE concentrated its limited resources on student count audits.

- The SDE did not issue reports on two audits of special education and transportation expenditures from fiscal year 1994-95 until November 25, 1997, almost 29 months after the close of the fiscal year under audit. An effective control system would require that audits of MFP data be completed and reported in a timely manner to enable both the local school system and the SDE to take appropriate corrective action and to make informed planning decisions. The

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

MFP audit supervisor informed us that the audits were completed late because she did not have time to complete her review of the audit files until October and November 1997.

- The SDE has not been consistent in its policies for making adjustments to MFP funding resulting from audit findings. For example, in fiscal year 1994-95, the SDE's written policy for making funding adjustments for financial audit findings was the same policy as that for student count audit finding adjustments. This policy requires no MFP funding adjustments for first-year audits and requires adjustments for all findings in the second and subsequent audits. However, audit reports for two second-year audits of fiscal year 1994-95 data disclosed a total overstatement in special education expenditures of $2,104,073 and a total understatement of other expenditures of $2,060,851. Because the SDE did not complete these second-year audits and recommend funding adjustments in fiscal year 1996-97, these two school systems were over-funded by a total of $443,322, and the remaining school systems were under-funded by a total of $280,883, or a net over-funding of $162,439. Management stated these adjustments were not considered because the questioned costs were immaterial; however, the SDE makes adjustments for student count audit findings, regardless of the amount.

- The SDE transferred $100,000 of MFP funds to the Office of the Attorney General without the approval of the Joint Legislative Committee on the Budget, in violation of state law. For fiscal year 1996-97, the SDE was appropriated MFP funds for the sole purpose of providing state funds to parish and city school systems. According to the SDE Deputy Superintendent of Management and Finance, the Commissioner of Administration directed the SDE to transfer up to $250,000 of departmental funds to the Office of the Attorney General for MFP litigation expenses. The SDE initially applied to the Interim Emergency Board for these funds, but we were informed that the SDE withdrew the application at the verbal request of the commissioner. Subsequently, the superintendent made the decision to use surplus MFP funds for these expenses and an interagency agreement was signed to accomplish the transfer. However, we found no evidence that the SDE submitted a BA-7 form to obtain the approval of the transfer from the Joint Legislative Committee on the Budget. According to the Deputy Superintendent of Management and Finance, the SDE made the transfer without obtaining a BA-7 because the Commissioner of Administration signed the interagency agreement and was aware of the funding source.

Without adequate policies, procedures, and related controls, the SDE cannot fulfill its obligation to ensure that MFP funds are equitably distributed. In addition, the transfer of $100,000 of MFP funds for litigation expenses without the required approvals conflicts with the purposes for which the funds were appropriated and is a violation of state law.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

The SDE should establish adequate policies and procedures to ensure that financial data reported by the parish and city school systems and used in the MFP formula are audited, and that the results of the audits are reported and considered in a timely manner. The Board of Elementary and Secondary Education should approve these policies and any future changes, and the SDE should also consider submitting these changes to the education committees of the Louisiana House of Representatives and Senate for review before implementation. Finally, the SDE should not use funds appropriated for MFP for other purposes without submitting a BA-7 form to obtain approval from both the Commissioner of Administration and the Joint Legislative Committee on the Budget. In a letter dated January 12, 1998, Ms. Marlyn J. Langley, Deputy Superintendent of the Office of Management and Finance, stated that the SDE does not concur with the finding for the following reasons:

- "Audits of 1995-96 data, other than those of student count, by the Educational Finance Services (EFS) section during fiscal year 1996-97 were unnecessary because this data has no direct bearing whatsoever on the current MFP formula.

- "The SDE made a management decision to not issue in a timely manner two audit reports of special education and transportation expenditures from fiscal year 1994-95. This was a result of other higher priorities which directly impacted funding issues regarding the MFP. The EFS section concentrated limited resources on audits of student membership count (SMC) which is the single most important data element in the MFP. The two reports mentioned in your finding were "technical assistance" audits, and, as such, did not directly impact funding.

- "SDE management recognized greater taxpayer savings would be realized by concentrating limited EFS section resources on SMC audits of ALL school districts (LEA) as opposed to "technical assistance" audits of a limited sample of LEA. By conducting SMC audits of all LEA during 1996-97 for 1995-96 student counts, the EFS generated a savings of $2.9 million in MFP formula funding. This savings was seventeen times greater than that cited in your finding for the technical assistance audits.

- "The transfer of MFP funds to the Louisiana Attorney General was based on an Interagency Agreement which was approved by the Superintendent of Education, the Attorney General, the Office of the Governor, and the Commissioner of Administration. On that basis, the SDE believes the transfer of funds was appropriate."

See management's response at B-9.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

Additional Comments:

- The 1995-96 expenditures reported by the parish and city school systems and used in the MFP formula should have been audited because the SDE has a legal mandate to verify this data, regardless of the current MFP formula. In addition, the SDE used 1995-96 data as the basis for calculating certain fixed components in the MFP formula for special education and transportation costs, and the state average per pupil amount, which was used in the 1996-97 MFP formula.

- Each audit that discloses erroneous data that is used in the MFP allocation formula does have a direct impact on MFP funding, regardless of whether it is a "technical assistance" audit or "student count" audit.

- The $2.9 million in savings from student count audits results from audits of all 66 school systems, as compared to the $162,439 from only two second-year audits of special education and transportation costs.

- Regardless of the interagency agreement, the SDE should have submitted a BA-7 form for approval to the Joint Legislative Committee on the Budget for the transfer as required by state law.

Inadequate Uniform Payroll System Controls

For the second consecutive year, the SDE did not ensure that all of its timekeeping units complied with existing internal control procedures over payroll transactions input to the Uniform Payroll System (UPS). Good internal controls include an adequate segregation of duties and a review of transactions to ensure data are accurate and reliable and to ensure that errors and fraud are detected within a timely period. In addition, departmental regulations assign the bureau directors with the responsibility for certifying the accuracy and completeness of time and attendance records. Finally, Civil Service Rule 15.2 for classified employees and Executive Order MJF 96-79 for unclassified employees require the employee and supervisor to certify the number of hours of attendance or absence from duty on the time and attendance records.

In our test of 10 timekeeping units with a total of 45 employees for two pay periods and an additional test of 8 unclassified employees for one pay period, we noted the following exceptions:

- One employee did not initial/sign the time sheet for one pay period.

- Two timekeepers had a pay period where the bureau director did not approve the time and attendance sheet.

- One timekeeper had a pay period where the bureau director's signature was certified only by a "rubber stamp" signature of the director.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

- Two employees did not indicate time of departure for one day during the pay period.
- Two unclassified employees had no records of time and attendance.
- Three employees had leave slips missing from their time and attendance records.
- Two employees had leave slips without all required signatures.
- One timekeeper had five leave slips for three employees for two pay periods that were certified only by a "rubber stamp" signature of the bureau director.
- One employee had no prior period adjustment for incorrectly entered leave.
- Six timekeepers for two pay periods and one timekeeper for one pay period did not indicate that the Fixed Time Entry Listing and Current Leave Registers had been reconciled to the time and attendance sheets.

Management has not placed sufficient emphasis on bureau directors performing an adequate and complete review of all time and attendance records before approval. As a result, errors and/or fraud could occur and not be detected timely, which subjects the department to noncompliance with state rules and regulations.

Management should reemphasize the need for all bureau directors to perform an adequate review of all time and attendance records before approval, and should ensure that a reconciliation is performed between the Fixed Time Entry Listing and Current Leave Registers and the time and attendance sheets. Furthermore, the bureau directors should ensure that someone other than the timekeepers verify that payroll transactions are correctly input into UPS. In a letter dated August 25, 1997, Ms. Marlyn J. Langley, Deputy Superintendent of the Office of Management and Finance, concurred with the finding and outlined a plan of corrective action. See management's response at B-12.

Lease Payment Advanced Improperly

(See detailed reporting in finding # F-97-ED-EDUC-2, in Schedule C, page 90.)

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

EXECUTIVE DEPARTMENT

Inadequate Compilation Process

For the second consecutive year, the Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP), did not have adequate procedures for compiling the state's *Comprehensive Annual Financial Report* (*CAFR*). The initial draft of the *CAFR* contained significant reporting errors that were later corrected for the final report. Furthermore, the *CAFR* was not issued by the statutory deadline required by Louisiana law. The delay in issuing the report was caused by the inadequate compilation procedures and by the implementation of a new computer accounting system. The following are deficiencies in the current compilation process:

1. OSRAP is unable to reconcile prior year fund balances as reported in the computerized accounting system to prior year fund balances as reported in the prior year's *CAFR* for the General Fund. During the compilation process, OSRAP uses the "Fund Balance" account as the offset to post manual adjustments. Use of the "Fund Balance" account as a clearing account makes it difficult to verify that all effects of a required adjustment have been properly recorded. Since there is no separation between adjustments reversing prior year accruals, adjustments for restatements of prior year fund balance, and adjustments posted for current year transactions, it is difficult and time-consuming to identify errors. Often, an unreconciled difference exists at year-end. Evidence of this problem is as follows:

    - On December 23, 1997, the state General Fund was given to the auditors with an unreconciled difference that could not be identified. The auditors returned the fund to OSRAP to be reconciled.

    - The state General Fund was again provided to the auditors on January 16, 1998, with an unreconciled difference in fund balance of $10 million.

    - Between January 16 and February 7, 1998, the auditors detected errors related to fund balance that ranged from $11,000 to $6,076,000, and the unreconciled difference fluctuated with a high of $13 million and a low of $4 million.

    - The General Fund was originally given to the auditors with 78 adjusting journal entries needed to convert the computerized accounting system amounts to financial statement amounts that conform with Generally Accepted Accounting Principles (GAAP). On February 9, 1998, OSRAP provided an additional 22 adjusting journal entries to the auditors to

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

correct errors and 5 entries to post audit adjustments. Most of the 22 adjustments were needed to adjust the fund balance account, but were still not sufficient to reconcile the fund balance. Another 7 entries on February 13, and 8 entries on February 14, were provided to post audit adjustments. Numerous adjusting entries increase the risk of error and result in increased audit effort to understand and verify the entries. These entries also demonstrate the lack of an adequate computerized accounting system for preparing GAAP financial statements.

2. Many errors are not identified and corrected by OSRAP employees in the normal course of performing their assigned functions or in the supervisory review process. Employees often rely on financial information without applying appropriate analytical procedures to search for errors. The auditors and OSRAP expend significant time and effort to detect the accounts and note disclosures that are misstated and to correct the errors. Proper analysis of accounting information by OSRAP is necessary to determine whether the information is reliable and properly reported. Information should be evaluated to determine compliance with GAAP, as well as compliance with statutory requirements. Effective analytical procedures and an adequate supervisory review would help ensure the completion of the *CAFR* before the statutory deadline. Examples of errors detected by the auditors are as follows:

   - OSRAP did not record required transfers of $79 million from the state General Fund to the Capital Outlay Escrow Fund. Failure to record these transfers would have overstated the General Fund unreserved - undesignated fund balance and would have understated the Capital Outlay Escrow Fund fund balance.

   - As mentioned in 1., previously, OSRAP failed to post a $6 million entry to expenditures related to the Louisiana Recovery District that was part of the unreconciled difference in General Fund fund balance.

   - For the second consecutive year, OSRAP failed to record an adjusting journal entry needed to properly reflect the revenues of the General Fund. The overstatement of revenues was $120 million and $19 million for fiscal years 1997 and 1996, respectively. While there would have been no ultimate effect on the General Fund unreserved - undesignated fund balance, this error caused unnecessary additional audit time to detect the error.

   - OSRAP posted an adjusting journal entry that would have understated transactions between the state General Fund and the Bond Security and Redemption Fund by $89 million. While there would have been no ultimate effect on General Fund unreserved - undesignated fund balance,

the General Fund would have been materially misstated for transfers-in and expenditures.

- OSRAP understated Transportation Trust Fund cash by $133 million and overstated Transportation Infrastructure Model for Economic Development Fund cash by $133 million.

- OSRAP did not adequately follow GAAP related to securities lending programs in the note disclosures for investments. The auditors had to research the required disclosures and propose numerous corrections to OSRAP. Securities lending programs involved approximately $5.5 billion at June 30, 1997.

OSRAP should develop a compilation process that reconciles the General Fund fund balance in a timely manner. Also, OSRAP should perform analytical procedures and improve its supervisory review of financial information and note disclosures to detect and correct errors in a timely manner before submitting that information to the auditors. In a letter dated March 9, 1998, the Commissioner of Administration concurred that the *CAFR* was issued past the statutory deadline, but disagreed that the reason was due to inadequate compilation procedures. He also did not agree that the review function was deficient. He stated that the delay was due in large part to the close-out of the old computer system and the implementation of the new computer system "coupled with structural parameters imposed by outside factors." The Commissioner concurred that the General Fund should not have any unreconciled differences, and said that OSRAP will create a task force to address the method of compiling the General Fund. In regard to the errors identified in the finding, the Commissioner stated, ". . . what the auditor classifies as 'error' is in fact a disagreement as to application of a standard and/or professional judgment." See management's response at B-197.

Additional Comments: The Legislative Auditor is committed to assisting the Commissioner of Administration in improving the compilation process. However, we do not concur that the errors mentioned in the finding were the result of professional disagreements.

Improper Use of Nonrecurring Revenue

For the second consecutive year, the State of Louisiana did not use nonrecurring revenue to retire or defease bonds "in addition to existing amortization requirements of the state," as required by both the Louisiana Constitution and the Appropriation Act (Act 6 of the 1996 Regular Session). State fiscal policy for 1996 and 1997 merely transferred the financing of short-term debt service payments to the General Fund instead of the Bond Security and Redemption Fund (BSRF). As a result, BSRF was used to reimburse the General Fund through transfers rather than making additional debt service payments.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

On June 14, 1996, the Revenue Estimating Conference declared nonrecurring revenue of $145,689,000, resulting from the General Fund unreserved - undesignated fund balance for fiscal year ended June 30, 1995, and the money was placed in an escrow agent bank account on June 25, 1996. This money was used during fiscal year 1997 for regularly scheduled debt service payments. BSRF then transferred current year collections not needed for current debt service payments to the state General Fund, effectively reimbursing the state General Fund. Regular debt service payments could have been paid from current collections and the nonrecurring revenue resulting from the General Fund surplus could have been used to retire debt in addition to current debt service requirements.

The current practice of paying short-term debt service requirements with nonrecurring revenue results in no significant long-term financial benefits to the state and makes the expected benefits of the Constitutional Amendment unrealizable.

Management should use nonrecurring revenues to retire or defease bonds "in addition to the existing amortization requirements," instead of using the funds to meet existing (short-term) amortization requirements. In a letter dated January 29, 1998, Mr. Mark C. Drennen, Commissioner of Administration, did not concur with the finding. He indicated that the use of the funds was highly publicized and discussed by the various legal entities involved. Mr. Drennen alluded to Attorney General Opinion Number 96-519 issued on December 12, 1996, and commented that the Attorney General (AG) "fully supported the position that the utilization of the undesignated fund balance for purposes of a current defeasement was proper and legal in all respects." The Commissioner stated, "The actions of the Executive and Legislative Branches in response to our state's serious debt problem represent a remarkable achievement. Since the passage of the Constitutional debt amendment, state debt has been reduced by almost $5 billion (60%). I find it incredible that the Auditor would ignore these facts and find that his interpretation not only superior to those that were actively involved in this reform in 1989, but also contrary to the Attorney General, the Louisiana Legislature and the Division of Administration." The Commissioner concluded by stating, "Finally, as we noted in the prior year finding that the entities that ultimately generated and approved this process were entities outside of the Executive Branch of government, and therefore, the finding (which in our opinion is erroneous) is improperly cast against the Executive Office." See management's response at B-191.

Additional Comments: We acknowledge AG Opinion 96-519, but recognize that it conflicts with the rules of constitutional interpretation that are discussed in AG Opinion 95-267-A, issued June 1, 1995. In AG Opinion 95-267-A, the Attorney General states, "In interpreting a constitutional article, one is not bound by the literal interpretation, where it would lead to . . . a plain violation of the spirit and purpose of the enactment. The real purpose and intent of a constitutional provision, as determined from a consideration of all its component sections and paragraphs, must prevail over a literal meaning which would assign an effect contravening the primary purpose and intent thereof." The revised statute that was enacted to implement the Constitutional Amendment requires that the nonrecurring revenues be used for capital outlay, early retirement or defeasement of debt, or extraordinary and nonrecurring expenditures. When

the amendment is read in conjunction with the related revised statute, the intent seems clear. Using nonrecurring revenues to finance debt service obligations that came due as early as 36 days after the funds were placed in the escrow account does not seem to comply with the spirit or intent of the Constitutional Amendment.

Noncompliance With State's Movable Property Regulations

The State of Louisiana did not ensure that all state agencies, hospitals, universities, and component units maintain adequate internal accounting controls over movable property as prescribed by the Commissioner of Administration and Louisiana law. Considering the amount of movable property additions ($135,276,000), deletions ($82,676,000), and ending balance ($1,032,632,000) for the General Fixed Asset Account Group, and ending balances for universities ($1,114,607,000), internal service funds ($21,091,000), and component units ($122,481,000), as reported by the Division of Administration, Office of Statewide Reporting and Accounting Policy for the year ended June 30, 1997, the state's policies and procedures should be uniformly applied to ensure that movable property is adequately safeguarded and accurately reported in the financial statements.

Good internal controls require that adequate control procedures be in place to ensure that (1) the acquisition, valuation, and disposition of movable property is accurately reflected in the accounting records; (2) the location of all movable items is monitored and updated frequently; and (3) the amounts recorded in the financial statements are materially correct. In addition, the internal control structure should ensure that movable property is properly safeguarded against loss arising from unauthorized use, that movement of items from one location to another is recorded, and that errors in processing transactions are recognized and corrected. Furthermore, R.S. 39:323-325, 328, 330 and the Louisiana Administrative Code (LAC) Title 34 Part VII Section 313(B) require the following:

1. Property managers are responsible for the maintenance of property identification marks as prescribed by the Commissioner.

2. The property manager is required to update the master inventory listing on a monthly basis by submitting all property transactions to the Commissioner.

3. Each property manager is required to take a complete physical inventory of all property at least once each fiscal year. The Commissioner is to be notified in writing at least 30 days in advance of the date(s) on which the physical inventory will be conducted.

4. Upon completion of the annual inventory, each property manager is required to submit a certified report to the Commissioner containing all exceptions or discrepancies found when comparing the results of the physical inventory to the perpetual inventory records.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

The Louisiana Property Assistance Agency (LPAA) has been designated by the Commissioner as the agency that will collect, account for, and maintain the transactions and reports that are required by state law; however, not all state entities are required to report to LPAA. LAC Title 34 Part VII Section 307(A) requires that acquisitions are tagged and information is forwarded to LPAA within 45 days after receipt of these items. In addition, R.S. 39:326(D) provides the Commissioner with the authority to invoke sanctions upon an agency that is in noncompliance with movable property regulations, including the restriction of property acquisitions by that agency.

Our audit of movable property records throughout the state disclosed collective amounts of $93,521,745 in additions; $48,784,265 in deletions; and $873,686,035 in ending balances of movable property for those eleven state agencies, five technical colleges, four state universities, two state hospitals, two state schools, and one state board that have not maintained an adequate movable property control system as follows:

1. For the twelfth consecutive year, various offices within the Department of Health and Hospitals did not maintain adequate controls over movable property and did not comply with the state's movable property laws and regulations. Thirteen of 131 items ($11,250 of $143,010) purchased during the year were not tagged and added to the inventory system until 50 to 420 days after receipt of the property. One item (costing $751) could not be located and was also noted in our prior year audit. The department has not taken any steps to remove the item from inventory. In our prior year audit, we noted that the New Orleans Mental Health Center's (NOMHC) inventory list contained 62 items that were not under the custody of the NOMHC's property manager. During this audit, we found that three of those items (costing $2,369) remained on the NOMHC's inventory list but were still not under the custody of the NOMHC's property manager.

2. For the ninth consecutive year, the Office of Public Health (OPH) has not implemented the appropriate internal control procedures to ensure that all movable property regulations are followed. Our tests disclosed that of 417 additions to inventory for February, March, and April 1997, 267 items were not entered timely into the movable property listing. Also, OPH took over 150 days to enter 189 acquisitions into inventory. Of 50 items on invoices for movable property purchased during January through April 1997, 17 items were not tagged, 12 items were not reported to LPAA within the 45 days, and another 8 items were not found in the property control system.

3. The State Department of Education (SDE), Bureau of Internal Audit, issued a report on December 5, 1997, which cited deficiencies in the department's policies and procedures for movable property. The report, which covered the two-year period ending June 30, 1997, disclosed the following weaknesses:

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

- Twenty-seven items purchased during fiscal year 1995-96 at a cost of $67,625 were not tagged or reported to LPAA. "In addition, 92 items were not tagged or reported to LPAA within 45 days of receipt." Also, in some instances, the shipping, ordering, or invoice dates were entered as the receipt date rather than the actual receipt date.

- "Moveable property is written off each year as stolen or missing with minimal effort by the SDE to examine the circumstances surrounding the missing items. LAC 34:VII:313 states, in part, efforts must be made to locate all items for which there are no explanations available for their disappearance.

  "The Department has not emphasized filing reimbursement claims for these items. Furthermore, within the last three years, the SDE has written off 289 items of moveable property, with an original cost of $221,748."

- "During 1997, field locations certified items as being physically located; however, items were missing prior to and during the inventory certification. LAC 34:VII.313(A) requires state agencies to conduct a complete physical inventory of property owned and record the true and actual results of the physical inventory.

  "There are no departmental procedures for verifying the validity of moveable property certifications submitted by locations outside the SDE's main office."

- The fiscal agents that contract with the department to manage the fiscal affairs of the department's regional service centers have purchased movable property and recorded these transactions in their own accounting system, rather than in the department's records. Therefore, the department has no records for the movable property located at its regional service centers.

- "The SDE does not consistently account for the moveable property purchased with funds provided to subgrantees and contractors. The SDE allows some subgrantees and contractors to maintain their own inventory system while others are maintained by the SDE. In addition, Education Department General Administrative Regulations (EDGAR) 34 CFR 80.32(a) states, in part, "title to equipment acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively." Finally, EDGAR 34 CFR 80.32(d)(1) requires, in part, property records be maintained, which include the acquisition date and cost of the property.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

"The SDE has not established written procedures regarding moveable property purchased by subgrantees and contractors."

- The department's 1996 general fixed assets were understated by approximately $1,593,087 (11.7 percent), resulting from an omission of Job Training Partnership Act inventory, duplication of the copy/printing shop inventory, and other errors and omissions.

- The department's Louisiana Learning Resources System does not have access to its movable property inventory system and cannot adequately account for inventory items loaned to local education agencies. The department could not properly account for 50 percent of items tested costing $67,160.

- The movable property inventory database does not contain the correct federal share percentages for items purchased with federal funds as required by federal regulations, which may prevent the SDE from being reimbursed proceeds from the sale of surplus items.

- Property is being relocated within the SDE without written acknowledgment of receipt.

4. The Department of Social Services, Office of the Secretary failed to maintain adequate internal controls over movable property and, as a result, the reported balance of property owned by the department was overstated by $9,126,985. Our audit disclosed that internal records of additions and deletions are not reconciled to reports issued by the LPAA. In addition, the department's property manager is not notified of the purchase of equipment that is required to be tagged and, therefore, would not be aware of the receipt of property in remote locations that was not tagged. There is no reconciliation between property purchased and property added to the master listing. At year-end, the property manager calculates additions and deletions to movable property from internal tagging information supplied throughout the year. Property is included as an addition on the annual fiscal report based on the fiscal year in which the property was tagged rather than the fiscal year in which it was purchased. The monthly payments for equipment purchased through capital leases were also included in additions to movable property. This equipment had been acquired in the prior year and was included in the movable property balance on the prior year's annual fiscal report.

5. The Department of Agriculture and Forestry did not maintain adequate internal controls over movable property. During our audit, we noted that fifty-one 1990 and 1991 model dozer tractors, valued at $1,812,030, were traded in for 1995 and 1996 model dozer tractors, valued at $2,814,900, without LPAA approval.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

The invoices supporting the payments, and paid by the department, showed the dozer tractors being upgraded instead of being traded in. The department changed the master inventory listing to reflect the serial numbers of the new dozer tractors leaving all other data unchanged. Consequently, the department did not comply with LAC Title 34 Part VII Section 501(A), which states that no property of any agency shall be sold to any person or legal entity without the written permission of the Commissioner of Administration through an approved State Property Transaction Form BF-11. Furthermore, we noted that the department failed to physically tag the new dozer tractors with new tag numbers in a timely manner. The inventory records, except for serial numbers, did not correctly identify the property. Our review was prompted by a letter report from LPAA to the State Inspector General detailing the results of its investigation. The LPAA report concluded that the department failed to obtain LPAA approval for the trade-ins and failed to place property tags on the new units as required. As a result, the old equipment was not made available to other state agencies through LPAA before being traded.

6. The Office of Telecommunications Management did not update movable property records for acquisitions within 45 days of receipt and did not notify LPAA 30 days in advance of the movable property physical inventory as required by law. Of 66 items tested, 31 items, totaling $108,859, were not reported to LPAA until 70 to 124 days after acquisition. Furthermore, the property control manager did not notify LPAA 30 days in advance of the dates on which the physical inventory would be conducted.

7. For the second consecutive year, the Department of Wildlife and Fisheries did not update the state property master inventory listing or notify the LPAA of acquisitions in a timely manner. In addition, the department did not perform reconciliations between its movable property records and the state property control system. As of September 1997, the department's property manger had not updated the state property master inventory listing for 591 movable property items, totaling $2,232,364, acquired by the department from January to June 1997, and had not notified LPAA of these acquisitions. Furthermore, the property manager did not reconcile the department's movable property records to monthly reports generated by the LPAA property control system. As a result, the department's 1997 financial statements included an understatement of movable property of $2,232,363.

8. For the third consecutive year, the Southern University System did not comply with its internal control policies and procedures over movable property. During our test of movable property, we noted deficiencies in the movable property control system. Of 24 movable property items tested for the Baton Rouge campus, 16 items were not reported to LPAA within 45 days of receipt of the items. The items were reported between 23 and 207 days late. In our previous

audit of the New Orleans campus for the year ended June 30, 1996, we noted that the master inventory listing had not been updated for $827,380 of movable property acquisitions. For the year ended June 30, 1997, $660,660 of these items still have not been added to the master listing. In our test of 51 movable property items, 14 items could not be located, and 18 items had incorrect location codes on the master listing. Of 8 purchase orders tested, which included 93 taggable items valued at $189,347, a total of 13 items were not assigned tag numbers nor were the items added to the master inventory listing. There was a $69,111 understatement in the value of movable property at June 30, 1997, because the property manager did not reconcile the property records to the reports generated by the LPAA property control system during the year. Of 8 movable property items tested, all 8 items were not reported to LPAA within 45 days of receipt of the items. The items were reported between 15 and 206 days late. Of 10 movable property items tested within the Shreveport-Bossier City campus, 8 items were not reported to LPAA within 45 days of receipt of the items. The items were reported between 30 and 260 days late. In addition, the property manager does not have a procedure in place to reconcile the university's property records to the reports generated by the LPAA property control system.

9. The Property Management Office at Louisiana State University and A&M College (Baton Rouge) did not comply with state movable property regulations. In our test of 296 property items, totaling $1,194,116, 136 items, totaling $521,408, were not tagged and reported in the property control system for 123 to 182 days after receipt of the property.

10. For the second consecutive year, the University of New Orleans failed to tag and timely record all movable property items as required by regulations. In addition, the university failed to timely update the master inventory listing location codes for all movable property items. During our walk-through of one of the two departments selected for audit, we observed computer equipment (15 donated items and 2 items acquired by purchase), totaling $30,129, that was not tagged and entered into the university's property control records for a period exceeding one year. The university's corrective action plan for untagged property was not implemented until the latter part of the fiscal year, March 31, 1997. Furthermore, transfers of movable property (46 items with a value of $51,360) from one location to another were not reflected in the master inventory listing in a timely manner.

11. Southeastern Louisiana University did not tag movable property timely and did not forward information timely to LPAA as required by Louisiana laws and regulations. Of 1,195 items purchased by the university during the period July 1, 1996, through February 13, 1997, information was not forwarded to LPAA and

the property was not tagged within 45 days for 1,142 items. The submission of inventory information to LPAA ranged from 46 to 232 days after receipt.

12. For the second consecutive year, the Department of Public Service did not update movable property records for items acquired during the year as required by state laws and regulations. In our test of movable property acquisitions, we determined that 59 items, totaling $52,246, out of 85 items tested, totaling $208,153, were not reported to LPAA within 45 days of receipt. The submission of inventory information to LPAA ranged from 49 days to 179 days after receipt.

13. The Department of Elections and Registration did not have adequate procedures to ensure that the movable property master listing was updated in a timely manner. In our test of 16 randomly selected movable property acquisitions totaling $537,985, all 16 of the acquisitions were not updated on the state movable property master listing within 45 days of receipt of the movable property. The acquisitions were updated on the master file from 49 to 342 days after the items were received.

14. The Governor's Office of Elderly Affairs has not complied with the state's movable property laws and regulations. In a review of 34 items acquired between July 1, 1995, and February 28, 1997, we found 3 items ($1,642 of $29,441) that were neither tagged nor added to the inventory system from 68 to 547 days after the items were received. Of the remaining 31 items, 16 ($13,012 of $29,441) were not tagged and added to the inventory system until 47 to 330 days after they were received.

15. Leonard J. Chabert Medical Center has not complied with provisions of the state's movable property laws and regulations. In our test of additions to movable property, we noted that of 11 additions to property for fiscal year 1997, none of the property was tagged, and the inventory information was not submitted to LPAA within 45 days of receipt of the property. Three of 5 additions to movable property for fiscal year 1996 were not submitted to LPAA within 45 days of receipt of the property. Of the 3 not submitted to LPAA timely, one of the items was not tagged within 45 days of receipt. The number of days between receipt and submission to LPAA and/or tagging ranged from 54 to 609 days.

16. For the seventh consecutive audit, the Louisiana School for Math, Science, and the Arts does not have adequate internal accounting controls over movable property and has not complied with movable property regulations. The school's 1996 Certification of Annual Property Inventory was due in October 1995, but was not received by LPAA until April 1996. The school submitted an incomplete 1997 Certification of Annual Property Inventory to LPAA on September 8, 1996. The completed report had not been submitted to LPAA as of December 2, 1996. The school does not reconcile between additions in its movable property records

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

and acquisitions in its books of original entry. It does not have formal policies and procedures in place to ensure that all movable property purchased, donated, or self-constructed is recorded, processed, summarized, and reported as required by state property regulations. Two of 5 items tested were tagged but were not recorded on the school's movable property records, and the addition of textbooks ($51,989) was not reported by the school for the fiscal year ending June 30, 1996. In addition, the school has no policy for assessing the value of textbooks deleted.

17. The Louisiana School for the Visually Impaired did not maintain adequate controls over movable property and did not comply with the state's movable property laws and regulations. Eight of 12 items, totaling $5,623, acquired during the 1997 fiscal year were not tagged or added to the inventory system from 86 to 132 days after the equipment was received. The remaining 4 items valued at $9,280 were also untagged and unreported. However, only 42 days had elapsed at the date of the examination. In addition, 17 of 36 items, totaling $19,559, acquired during the 1996 fiscal year were not tagged or added to the property inventory until 48 to 299 days after they were received. An additional 15 items, totaling $18,778, remained untagged and unrecorded at the date of our examination although 174 to 258 days had elapsed since they were received. Of 24 items selected for physical examination, one item costing $1,232 could not be located and one item costing $800, although located, did not have the inventory tag attached.

18. The Louisiana State Board of Private Investigator Examiners did not report movable property acquisitions to LPAA within 45 days of receipt. During the two years ended June 30, 1996, the board had 8 acquisitions ranging in value from $270 to $3,516. Seven of those items were not reported to the LPAA until 51 to 344 days after receipt.

19. The Louisiana Systemic Initiatives Program did not comply with state movable property regulations. In our test of 28 acquisitions, we found that 21 items, totaling $19,467, were not tagged and reported to LPAA until 49 to 98 days after receipt of the property. In addition, we found that two items acquired in fiscal years 1993 and 1995 were not reported to LPAA until April 1996. The 1993 item did not have a tag affixed to the property.

20. Louisiana Technical College, Delta-Ouachita Campus failed to maintain adequate control procedures over movable property to ensure compliance with laws and regulations. Out of 17 items tested, two items were not in their listed locations; one item had the wrong tag number; one item was not tagged; and one item was neither tagged nor included on the inventory listing.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

21. Louisiana Technical College, Florida Parishes Campus failed to comply with the state movable property regulations and R.S 39:330, which requires written consent of the Commission of Administration prior to entrusting property to another agency. We noted that 43 items with an original acquisition cost totaling $91,762 were transferred from Region 2 Management Center to the Louisiana Technical College, Florida Parishes Campus in August 1996. These items were not tagged until approximately 150-170 days later and were not entered into the LPAA system until approximately 170-180 days after receipt of the items. The property control manager for the Louisiana Technical College, Florida Parishes Campus also loaned a piece of equipment costing $2,240 to the Louisiana Technical College, Ascension Parish Campus without written consent from the Commissioner of Administration. The item in question was one of the 43 items transferred from the Region 2 Management Center and had not been properly tagged and recorded in the LPAA system at the time of transfer.

22. Louisiana Technical College, Lafourche Campus has not updated movable property records timely. Our review of 10 items of movable property revealed that 5 items were not submitted to LPAA within 45 days of receipt of the property although the items were physically tagged in a timely manner. The number of days between receipt and submission to LPAA ranged from 61 to 123 days.

23. For the second consecutive year, Louisiana Technical College, Sidney N. Collier Campus did not comply with state movable property regulations. In our test of 68 items of movable property, 63 items were not submitted to LPAA within 45 days of receipt of the property. The number of days between receipt and submission to LPAA ranged from 51 to 867 days.

24. Louisiana Technical College, Westside Campus has not implemented the appropriate internal control procedures to ensure that all movable property regulations are followed. During our test of 139 movable property items purchased, we noted that 76 items, totaling $75,071, were not tagged and reported to LPAA within 45 days as required by state regulations. After receiving an item, an average of 79 days lapsed before an item was tagged. In addition, the technical college's Annual Certification of Property Inventory, dated February 14, 1997, stated that the technical college could not locate 37 items, costing $27,238, out of an inventory of 527 items totaling $651,296. There was no documentation to indicate the location or disposition of these items.

25. Doctor Walter Olin Moss Regional Medical Center did not maintain adequate internal controls over movable property as prescribed by the Commissioner of Administration and Louisiana law. Our audit disclosed that 8 items ($23,885 of $31,158) in a test of 14 acquisitions were not reported to LPAA until 54 to 243

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

days after receipt of the property. Two of the 14 items were not tagged, and 5 additional items observed during other tests were noted as being untagged. In addition, 3 of the items were not in the location noted in inventory records.

The State of Louisiana should take the necessary measures to ensure that all state agencies, hospitals, universities, and component units maintain adequate internal accounting controls over movable property to comply with state movable property regulations as prescribed by the Commissioner of Administration and Louisiana law. In a letter dated February 23, 1998, the Commissioner of Administration concurred with the finding. The Commissioner feels that most agencies that are cited "recognize the problem and have attempted to implement operational procedures to mitigate the problem, however, due to the limited resources provided for this effort its resolution is not likely in the foreseeable future." LPAA will request written confirmation from the affected agencies and departments as to the validity of the findings and corrective action taken or to be taken. The imposition of sanctions may be used in extreme cases, but the Division recognizes that such sanctions often impact the recipients of the agencies' services. The Commissioner stated, "Enforcement actions taken will be based upon past compliance and the proposed corrective actions of the state entity." See management's response at B-196.

Inadequate Fund Balance -
Patients' Compensation Fund

For the sixth consecutive year, the Executive Department, Patients' Compensation Fund Oversight Board, did not maintain an adequate surplus in the Patients' Compensation Fund as required by Louisiana law. R.S. 40:1299.44(A)(6)(a) requires that a surplus of 50 percent of the annual surcharge premiums, reserves established for individual claims, reserves established for incurred but not reported claims, and expenses be maintained in the fund.

For the fiscal year ended June 30, 1997, the accumulated balance of surcharges, reserves, and expenses is estimated to be approximately $465 million, which under Louisiana law would require a fund balance of approximately $233 million. As of June 30, 1997, the actual fund balance was approximately $70 million, resulting in a shortfall of $163 million. This shortfall resulted from practices in effect before the Patients' Compensation Fund Oversight Board was created, whereby rates for medical malpractice premiums were not set based on experience ratings, including historical losses, interest payments, and future medical amounts.

The board should maintain an adequate rate level to achieve the 50 percent surplus requirement over a reasonable period of time. In a letter dated September 22, 1997, Mr. Mike Walsh, Executive Director, concurred with the finding and recommendations. However, he stated that the board believes that its pace to increase cash reserves has been as rapid as it could have been, and another five to ten million dollars will be added this year. See management's response at B-16.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

GRAMBLING STATE UNIVERSITY

Timekeeping Records Not Certified

Grambling State University does not consistently follow university policies and procedures established to ensure compliance with Civil Service rules and regulations related to certification of timekeeping records. Civil Service Rule 15.2 requires employees to certify their actual hours of attendance and to sign their time sheet at the end of each pay period.

An examination of 30 payroll records selected from the month of February 1997 revealed that one classified employee did not certify the hours worked and reported on the time sheet or the time card. During a follow-up to this exception, it was determined that 5 departments, consisting of 304 classified employees, use a punch card (time clock) system for recording hours worked. A review of these departments revealed that 88 of the 304 employees (29 percent) did not follow certification procedures which require signing or initialing the appropriate timekeeping records.

Although the university has policies and procedures that contain many elements of a good internal control system, management does not always ensure that employees follow these established procedures. Failure to adhere to established procedures could subject the university to possible misuse or loss of funds.

Grambling State University should follow its internal control policies and procedures and Civil Service Rule 15.2 to ensure that all employees are properly certifying timekeeping records. In a letter dated August 19, 1997, Mr. Melvin L. Davis, Vice President for Finance, stated that the university concurred with the finding and that effective immediately the university has implemented procedures to ensure that all employees' timekeeping records are properly certified. See management's response at B-20.

HEALTH AND HOSPITALS, DEPARTMENT OF

Cash Subsidy Program Procedures Not Always Followed

For the second consecutive year, the Department of Health and Hospitals (DHH) did not always follow established guidelines for monitoring families receiving cash subsidy payments under the Community and Family Support System. In addition, the department also did not consistently follow procedures required for the annual review of eligible families. A cash subsidy payment is a monetary payment to eligible families of children with developmental disabilities to offset the costs of caring for the child at home. Expenditures of the program totaled approximately $2.9 million for the year ended June 30, 1997. The Louisiana Administrative Code 48:16123-16125, as well as internal policies and procedures established by the department, require the regional staff to contact each family at least every 90 days to monitor the status of the child. In addition,

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

each family must complete an annual parent report and submit a copy of the child's current individualized education program (IEP) plan or its equivalent to the regional office. Our review of 60 case files disclosed that 10 (17 percent) case files examined did not contain the annual parent report or a copy of the child's current IEP plan and did not contain documentation to support monitoring at least every 90 days.

These conditions occurred because management has not placed sufficient emphasis on monitoring and reporting procedures. As a result, the department could incur unnecessary expenditures because (1) ineligible families were allowed to participate in the program, or (2) families who become ineligible for the program would not be discovered and removed from the program in a timely manner.

DHH should develop procedures to ensure that all required information is obtained and that each case is monitored in accordance with department policy and program guidelines contained in the Louisiana Administrative Code. In a letter dated July 8, 1997, Mr. Bruce C. Blaney, Assistant Secretary of the Office for Citizens With Developmental Disabilities, outlined the department's plans to correct this matter. See management's response at B-28.

Noncompliance With Payroll Regulations

DHH did not consistently follow its internal control procedures that are designed to ensure that the department has complied with Civil Service rules and regulations and that time and attendance records supporting $125,207,031 of expenditures for personal services are complete and accurate. We examined the controls and records of 21 timekeeping units and noted the following conditions:

- At 14 of the 21 offices tested, the timekeeper performs incompatible functions because the same employee who keys in the time and leave also reviews the reports generated by the Uniform Payroll System for accuracy. A good internal control system should provide adequate segregation of duties so that no one employee would be in a position to both initiate and conceal errors or irregularities. This is the third consecutive year this condition has been reported.

- Thirty-eight of 496 employees (7.7 percent) did not certify (sign) their time and attendance records and there was no supervisor certification of 101 of 496 (20.4 percent) attendance records. In addition, there were no time sheets present for 48 of 496 employees (9.7 percent). Civil Service Rule 15.2 requires the employee and supervisor to certify the number of hours of attendance or absence from duty on their time and attendance record. This is the fourth consecutive year the department has failed to ensure that all time records are certified and the third consecutive year that timekeepers have assumed an 8-hour workday when attendance records are incomplete.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

- For 678 instances where leave was reported, there were no leave slips to support hours of sick and/or annual leave taken by 20 employees (3 percent). Also, seven leave slips, although present, were unsigned by the employee or the supervisor. DHH Policy Number 1215-92, Section XVIII requires that all leave be supported by a leave slip signed by both the employee and the employee's supervisor. This is the third consecutive year this condition has been reported.

- Of 104 employees reporting overtime worked, 22 (21 percent) were paid for a total of 86 hours of overtime although the timekeepers did not have documentation that the overtime was authorized as required by DHH Policy Number 1215-92, Section XI. This is the second consecutive year this condition has been reported.

- At two of the 21 offices tested, we found a total of nine time sheets that were blank except for the supervisor's approval. Pre-signed time sheets represent a weakness in internal control because they can be used to process time and attendance without a physical review by the supervisor responsible for the accuracy of the attendance data.

Although the department has policies and procedures that contain many elements of a good internal control system, these procedures are not uniformly followed. Because Civil Service's regulations and the department's internal control procedures were not always followed, there is increased risk that inaccurate, unsupported, or fraudulent data could be entered and processed and such errors may not be detected within a reasonable time.

DHH should reemphasize the need to follow its internal control policies and procedures regarding the On-Line Time and Leave Entry System and the related time and attendance records. In a letter dated October 7, 1997, Mr. David W. Hood, Undersecretary, concurred with the finding and recommendation. Mr. Hood stated that he has written a letter to all assistant secretaries, bureau chiefs within the Office of the Secretary, and division directors within the Office of Management and Finance directing them to take whatever action is necessary to ensure compliance with departmental policies regarding time and attendance records. Mr. Hood also included individual corrective action plans for the items cited in the finding. See management's response at B-51.

Unfavorable Budget Variance

DHH made expenditures totaling $3,619,834 in excess of its budget authority. Act 17 of the 1996 Regular Session specifically restricted payments to private providers of non-emergency medical transportation to $9,500,000; however, the department expended $13,119,834 to private providers for these services. The department was aware of the excessive expenditures in this category, but did not take timely action to reduce expenditures to an acceptable level and/or request a budget increase. Failure to comply with budget restrictions may unnecessarily

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

penalize other programs from which funds must be taken to pay for the unauthorized cost overruns.

The department should monitor its budget and take immediate corrective action when projected expenditures exceed budgetary authority. In a letter dated July 21, 1997, Mr. Thomas D. Collins, Director of the Bureau of Health Services Financing, agreed that the problem of remaining within the $9.5 million cap should have been brought to the attention of the Joint Legislative Committee on the Budget before the actual over-expenditure of the cap, but pointed out that there was a surplus in the Medicaid program for fiscal year 1997 and, therefore, no other portion of the program was actually penalized because of the overexpenditure in non-emergency medical transportation. Mr. Collins pointed out several circumstances that made compliance with the cap problematic, but did not present a plan of corrective action because the non-emergency transportation program is not capped for fiscal year 1998. See management's response at B-72.

INSURANCE, DEPARTMENT OF

Improper Earning and Using of Leave by Unclassified Employees

The Department of Insurance did not have adequate procedures to ensure compliance with regulations related to the earning of annual, sick, and compensatory leave by some unclassified employees. Executive Order EWE 94-32, effective January 13, 1992, specifically excluded Department Secretaries, Undersecretaries, Deputy Secretaries, Assistant Secretaries, Confidential Assistants, and equivalent positions appointed by elected officials from earning annual, sick, and compensatory leave. Executive Order MJF 96-79, effective January 8, 1996, allowed the earning of annual and sick leave by these employees, but continued to prohibit the earning of compensatory leave. During our test of 17 unclassified employees, we found that eight of them held equivalent positions mentioned previously, and:

- Six were allowed to earn and use annual and sick leave under Executive Order EWE 94-32. As of January 7, 1996, these employees had an accumulated balance of 3,543 hours of annual and sick leave.

- Seven were allowed to earn and use compensatory leave under both Executive Orders. As of June 30, 1997, these employees had an accumulated balance of 1,363 hours of compensatory leave.

The department did not properly research and interpret these executive orders as they apply to its employees. As a result, the department allowed these employees to improperly earn and use annual, sick, and compensatory leave, which subjects the department to noncompliance with state regulations.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

The Department of Insurance should develop and implement procedures to ensure compliance with Executive Orders related to the earning of leave by its employees. In addition, all annual, sick, and/or compensatory leave earned by employees in violation of the Executive Orders should be adjusted to the appropriate amounts. In a letter dated November 19, 1997, Ms. Brenda St. Romain, Assistant Commissioner, Office of Management and Finance, concurred with the finding and described corrective action that already has occurred (B-76).

LOUISIANA STATE UNIVERSITY MEDICAL CENTER (NEW ORLEANS)

Failure to Comply With Terms of Contracts and Agreements

Louisiana State University Medical Center (New Orleans) has not complied with certain terms of its contracts and agreements with the LSU School of Medicine in New Orleans, Faculty Group Practice (FGP), a nonprofit corporation. Good internal controls include procedures to ensure compliance with all contractual obligations.

The medical center and FGP entered into a Cooperative Endeavor Agreement on November 1, 1995, and an Operating Agreement on January 7, 1997. The Operating Agreement, Section II (B)(5), requires the medical center to allocate employees' salary and other operating expenses to specific cost centers so amounts chargeable to FGP can be accurately determined and captured. However, in reviewing compliance with the agreements, we determined that for the period March 1, 1997, through June 30, 1997, the medical center did not allocate costs incurred on behalf of FGP to specific cost centers as required by the agreements. In addition, the medical center has not changed the source of funding on the personnel action form (PER 3) that is used to identify the cost accounts for employees leased to FGP. As a result, the salary costs of these employees leased to FGP are not charged to the appropriate cost accounts.

These conditions occurred because management did not allocate sufficient resources to develop and implement procedures to recover costs incurred on behalf of FGP. Failure to identify costs incurred by the medical center resulted in an understatement of receivables in the June 30, 1997, financial statements. A subsequent analysis of costs resulted in a proposed audit adjustment to receivables of $2,687,990. Management of the medical center agreed with the proposed audit adjustment and recorded the receivable.

Management of Louisiana State University Medical Center (New Orleans) should implement procedures to ensure that contractual obligations are adhered to and all costs incurred by the medical center are reimbursed as prescribed in the agreements. In a letter dated October 27, 1997, Robert L. Marier, M.D., MHA, Dean, School of Medicine in New Orleans, concurred with the finding and outlined steps for corrective action (B-80).

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

MCNEESE STATE UNIVERSITY

Embezzlement at University Post Office

An embezzlement occurred at the McNeese State University Post Office and the resulting Civil Service form did not contain the required information. The university's internal auditor issued a report titled "Internal Auditor's Report on the Post Office Investigative Audit as of February 26, 1997," on an embezzlement at the McNeese State University Post Office. The audit period was from July 1988 through February 1997 and the report stated that "The (former) post office supervisor embezzled funds in the amount of $10,060.11." The report concluded that "The post office supervisor admitted to the theft and has signed a confession statement. . . . The post office supervisor has resigned and has made full restitution in the amount of $10,060.11." The lack of internal control procedures including the lack of an adequate segregation of duties between meter machine replenishment and the reconciliation of postage records provided the opportunity for theft. The university filed a complaint with the Calcasieu Parish Sheriff Department and reported the matter to the District Attorney for the Fourteenth Judicial District.

McNeese State University then submitted the Civil Service Standard Form 1 (SF1) to the Louisiana Department of Civil Service for the post office supervisor's resignation, but did not indicate that the supervisor had resigned to avoid dismissal. Civil Service Regulation 12.11(f) states, "When, after receiving notice that his dismissal has been proposed, an employee resigns to avoid dismissal, the Standard Form 1 reporting the resignation shall so indicate and a copy thereof shall be furnished to the employee."

McNeese State University should strengthen its internal controls at the University Post Office to include an adequate segregation of duties so that the university can be ensured that assets are safeguarded and that errors and/or fraud are identified timely. The university should also submit a revised SF1 that indicates the disclosure required by Civil Service regulations. In a letter dated November 19, 1997, Dr. Robert D. Hebert, President, stated that the university has submitted a corrected Civil Service Standard Form 1 to the Department of State Civil Service and that internal controls at the post office have been established through several corrective measures (B-87).

MEDICAL CENTER OF LOUISIANA AT NEW ORLEANS

Failure to Timely File Corrected Tax Forms

The Medical Center of Louisiana at New Orleans has not timely prepared and filed corrected Wage and Tax Statements (Form W-2C) and corrected Employer's Quarterly Federal Tax Returns (Form 941c) for adjustments to prior year social security taxes. Internal Revenue Service Circular E requires that whenever an adjustment is made to prior year social security

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

taxes, a Form W-2C and a Form 941c providing the corrected information should be filed with the federal government.

As of June 30, 1997, the medical center had overpaid $175,197 in social security taxes to the federal government. These overpayments occurred over a 3-year period when employees who previously worked at Hotel Dieu Hospital (now part of the Medical Center of Louisiana at New Orleans) were determined to be eligible for the State Employees Retirement System rather than Social Security. Although the proper adjustments were made to the employees' payroll records and employer and employee contributions were remitted to the State Employees Retirement System, the corrected W-2s and 941c were not processed and filed until September 9, 1997. As a result, the medical center has not received a refund of social security taxes paid in error, and employees have not been furnished with corrected W-2s for tax filing purposes.

Failure to file the proper forms occurred because the finance and payroll departments did not coordinate their efforts to ascertain that the necessary forms were prepared and filed.

The medical center should ensure that its policies and procedures pertaining to preparing and filing corrected Form W-2C and Form 941c are followed and that efforts of the finance and payroll departments are coordinated. In a letter dated November 5, 1997, Mr. John Berault, Acting Chief Executive Officer, concurred with the finding and recommendation and stated that the medical center has implemented procedures to ensure that corrected W-2C and 941c forms are prepared and filed timely in the future (B-88).

NATURAL RESOURCES, DEPARTMENT OF

Inaccurate Reporting of Mineral Income

The Department of Natural Resources failed to properly report major state revenues (mineral income) for the fiscal years ended June 30, 1996 and 1997. Title 4, Chapter 31 of the Louisiana Administrative Code [Policy and Procedures Memorandum No. (PPM) 68] and written instructions issued by the Division of Administration, Office of Statewide Reporting and Accounting Policy, established criteria and procedures to assist agencies in preparing accurate annual financial statements. PPM 68 specifies that revenue should be recognized in the fiscal year in which economic activity generates the revenue. In addition, an adequate system of internal control should include adequate supervision and review to ensure that errors in financial reporting are detected and corrected in a timely manner. In our review of mineral income, we noted the following errors:

- Approximately $14.6 million was incorrectly classified to fiscal year 1997 instead of 1996.

- The department used an incorrect allocation base to allocate the mineral income receivable between the individual funds for fiscal year 1996.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

- The department double-counted revenues of approximately $4.3 million when reporting revenues for fiscal year 1996.

Cumulatively, these errors resulted in an understatement and overstatement of revenues for fiscal years 1996 and 1997, respectively, of approximately $10.3 million.

- The department incorrectly classified $2.6 million in mineral income to the state General Fund when it was actually parish road royalty fund monies due to the various parishes within the state for fiscal year 1996.

- The department incorrectly classified approximately $2.2 million to fiscal year 1997 instead of 1998; however, we brought this error to the attention of management and it was corrected before the submission of its 1997 Annual Fiscal Report.

These errors were caused by a lack of communication between divisions within the department and an overall lack of understanding of the financial reporting requirements relating to major state revenues.

The department should develop and implement review procedures to ensure that major state revenues are correctly classified between funds and between fiscal years. In a letter dated November 7, 1997, Mr. Robert D. Harper, Undersecretary, concurred with the finding and outlined the steps for corrective action (B-104).

Untimely Processing of Royalties

The Department of Natural Resources failed to timely identify royalty receipts to specific leases over the past 18 years and failed to timely remit the required portion of these royalties to the appropriate parishes. Good internal controls should ensure that all royalties received are processed timely, and all obligations due are paid in a timely manner. R.S. 30:145 states that one-tenth of all royalties accruing to the state is to be remitted to the parish where the production occurred.

The department received approximately $13 million in royalties between 1979 and 1997, which remained unallocated by the Louisiana Mineral Income System (LOMIS), as of August 15, 1997. Consequently, approximately $1.3 million of these royalties have not been identified and paid to various parishes within the state as required.

These royalties have not been allocated by LOMIS because they were remitted without adequate supporting documentation for the department to determine what the royalty is for and where the production occurred. Untimely follow-up and processing by the department has caused these funds to remain unallocated in the state treasury.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

The department should investigate all unallocated royalties that have accumulated over the past 18 years to identify the parish where the production occurred so that the required payments can be properly remitted to the parish. In addition, the department should implement new procedures for a timely follow-up of incomplete documentation accompanying royalty receipts to ensure timely processing of the related parish payments. In a letter dated November 5, 1997, Mr. Robert D. Harper, Undersecretary, concurred with the finding and outlined the steps for corrective action (B-106).

NORTHWESTERN STATE UNIVERSITY

Weaknesses in Controls Over Scholarships and Other Awards

For the second consecutive year, Northwestern State University does not have adequate controls in place to ensure that scholarships and fee exemptions/waivers are awarded to eligible students in accordance with applicable criteria. An adequate internal control system would provide formal written policies and procedures to ensure that only eligible students meeting university and other governing entities' established criteria receive financial assistance. The control system should also ensure that all assistance is properly recorded, reported, and reconciled. The Rules of the University of Louisiana System Board of Trustees Chapter IV Section V, Part N outlines the requirements students must meet to receive an out-of-state fee waiver. It also requires the institution to request System office approval for each student approved for an out-of-state waiver. Moreover, this rule states that the university shall submit to the board a report of waivers granted and exercised. Our tests of scholarships and fee exemptions/waivers disclosed the following control weaknesses and policy violations:

- The university did not formally adopt the specific guidelines of the Louisiana Tuition Assistance Plan and the Louisiana Honors Scholarship Program.

- The university did not have scholarship applications or current award letters on file for 4, or 16.6 percent, of the 24 recipients tested. The four scholarships were awarded for the debate team and the university newspaper.

- Three, or 12.5 percent, of the 24 recipients' files did not indicate that students met the requirements necessary to receive the debate team or NSU scholarship.

Our examination identified additional control weaknesses and noncompliance issues in the current year as follows:

- The university did not reconcile the financial awards reported in the financial aid subsidiary records to the general ledger accounts.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

- The university does not coordinate all scholarships and fee exemption/waiver awards through the financial aid office. The university provided a list of 11 such awards totaling $438,134.

- The university awarded 3 students, who were not athletes, football scholarships totaling $7,057.

- The university awarded 253 out-of-state Tuition Performance Waivers totaling $301,624 without obtaining the required approval from the University of Louisiana System office. Furthermore, there is no documentation in the files to indicate that the students granted these waivers met the established criteria.

- The university awarded 383 out-of-state Academic and Performance Waivers totaling $456,638 as of April 30, 1997, that were not reported each semester, including the summer sessions, to the University of Louisiana System Board of Trustees, as required by board policy.

- The university does not have adequate controls in place to ensure that National Guard Exemptions are accurately posted to student records. Two, or 40 percent, of the 5 students tested were each charged $60 more than the amount authorized.

Management has implemented some controls relating to certain awards, but not always in a consistent and uniform manner. Management has not reviewed and evaluated the controls over all awards, nor is there one office where all awards are required to be reported to ensure that the award meets established criteria. As a result, management has violated applicable rules and regulations and some students receiving awards may not have been qualified recipients.

Northwestern State University should review the controls over all scholarships and fee exemptions/waivers awarded by the university. It should then establish the formal written policies and procedures necessary to ensure that only qualified students receive awards and that the university complies with all applicable rules and regulations. These policies and procedures should be strictly adhered to and consistently applied. In a letter dated August 29, 1997, Dr. Randall J. Webb, President, stated that the university concurred with the finding and has provided information relating to steps taken or to be taken to correct these matters (B-123).

ORLEANS LEVEE DISTRICT

Inadequate Controls Over Professional Service Contracts

For the third consecutive year, the Orleans Levee District has not maintained adequate internal controls over professional service contracts. In addition, during the audit for the fiscal year ended June 30, 1997, there were certain instances where the levee district did not comply with

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

established board policies with regard to certain computer consulting, engineering, public relations, and other professional service contracts. In our consideration of the internal controls, we noted the following weaknesses that in some cases resulted in noncompliance with state laws and regulations.

On October 7, 1996, the levee district made a payment of $198,290 to an engineering consultant for lease negotiation services between the levee district and a casino operator based on an alleged verbal contract made in late 1994. Prudent business practices would require a written contract or documentation from the levee district's representative in the verbal contract to provide evidence of agreed upon deliverables and compensation. A written contract would also be required to successfully obtain Civil Service approval.

R.S. 42:3 limits the term of office of all employees or officials elected by a board to the term of office of the membership of the board electing them. Attorney General Opinion 92-52 states that it was the intent of the legislature in enacting the above statute to allow each newly appointed board the opportunity to elect its own officers and employees during the term of office. In addition, prudent business practices suggest a contract include a cancellation clause that will allow either party to the contract to prematurely terminate the contract, without cause, after giving a notice of intent within a specified time, such as 30, 60, or 90 days prior to termination.

- The district made a settlement payment of $375,000 to the original computer-consulting firm without board authorization. The board approved the final settlement after the payment. The computer-consulting contract extended beyond the term of office of the majority of the commissioners of the district. Furthermore, the contract did not contain a clause for the termination of the contract without cause. As a result, the succeeding board was exposed to a settlement liability for termination of the contract.

- In addition, the district made settlement payments of $58,000 to an airport consulting firm and $8,390 to a public relations firm without prior approval of the board.

Civil Service Rule 3.1(o) requires that contracts for personal services be reviewed and either approved or disapproved by the Department of State Civil Service in advance of their effective dates. This rule ensures that such agreements do not provide for the performance of such services that could and should be performed by classified employees.

- The district did not have the two contracts with the current computer consultant approved by the Department of State Civil Service before the effective dates of the contracts.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

Adequate internal controls for professional services require adherence to established levee district procedures and that agreements are executed before any work is authorized and payments are made.

- During the fiscal year ended June 30, 1997, the district spent $94,386 for computer consulting services outside of the periods covered by the two-signed contracts.

- The district authorized payment for $3,375 of personal services without contracts or properly approved purchase orders. Consultants hired by the levee district performed services for the psychological exam program without an approved current purchase order or a current signed contract.

Finally, the findings documented in the internal auditor's report titled, "Professional Contracts for the Eight Months Ended February 28, 1997," were reviewed and accepted as relevant to professional services and as an addendum to our audit findings.

- The levee district executed two professional service contracts, $20,000 for computer consulting and $26,500 for real estate consulting, without a "30 day at will" cancellation clause. The internal auditor's report added that the real estate consultant does not submit time records supporting his invoices.

- $1,755 of professional services for a promotion committee was performed without finance committee or board authorizations.

The Orleans Levee District should ensure that payments for professional services are made based on contracts that are in writing and approved by the board, include termination clauses, do not extend past the term of the commissioners of the district, are based on approved purchase orders, and have been reviewed and approved by Civil Service before the effective dates. In a seven page letter dated September 22, 1997, Mr. Max L. Hearn, Acting Director, did not concur with any of the findings and called for each of them to be removed. On each point, he questioned the facts, the criteria cited, or the materiality under *Government Auditing Standards*. He stated that there were no legal or procedural requirements at the time that a contract for lease negotiation services be written. He also stated that the board president approved settlements based on the advice of legal counsel, in accordance with his powers as chief executive of the agency. In addition, he stated that the board is in the process of reviewing and adopting a revised professional services policy that should eliminate many of these findings, but at the same time, will be more inclusive and flexible. Finally, he quoted the internal auditor's report dated May 23, 1997, to state that he issued a memorandum, dated March 27, 1997, that assigns oversight of compliance with the levee district's policies and procedures and state regulations relating to professional service contracts to the accounts payable supervisor and that the district has developed and is using a professional service contract checklist to ensure compliance with the levee district's policies and state regulations. See management's response at B-126.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

Additional Comments: Support for the payment of the lease negotiation services did not include a statement from the levee district's representative of the agreed upon deliverables and compensation for the verbal contract. Lack of the recommended termination clauses in past professional service contracts, including those cited above, has cost the levee district and the taxpayers hundreds of thousands of dollars. The professional service contracts of the levee district have been an area of concern for a number of years, and we will continue to make recommendations for improvements in controls as needed.

Possible Ethics Code Violation

The Orleans Levee District paid an engineering consulting firm $198,290 in the current fiscal year for "lease negotiation services" relating to a proposed lease (North Peninsula) between the levee district and a casino operator. Furthermore, the casino operator paid this engineering consulting firm $546,537 for providing design and engineering services related to a proposal to develop the same piece of property. According to R.S. 42:1112, public servants are prohibited from participating in transactions involving the governmental entity in which they have a personal substantial economic interest. As established by prior Louisiana Ethics Board opinions and case law, the consultant in this matter could possibly be held to be a public servant under R.S. 42:1112.

Management of the levee district stated that the $198,290 payment was based upon a verbal (non-written) contract negotiated in 1994. As noted previously, the proposed lease to be negotiated involved the levee district's North Peninsula. According to a letter dated September 30, 1996, signed by the owner of the engineering firm, the $546,537 was partial payment of an invoice submitted to the casino operator under a contractual agreement dated November 21, 1994, relating to development of the levee district's North Peninsula. As a result of payments made under these two agreements, there may have been a violation of R.S. 42:1112 (the Code of Governmental Ethics). In addition, the levee district may not have had its best interest represented in the lease negotiations since the consulting firm was working for both the casino operator and the levee district.

The Orleans Levee District is advised to seek an opinion from the Louisiana Ethics Board to determine if there has been a violation of the provisions of the Louisiana Code of Governmental Ethics. In a letter dated September 19, 1997, Mr. James P. Huey, President, stated that the levee district does not believe the auditor's comments meet the Auditing Standards Board's criteria for a reportable condition, and represents an allegation against a third party, and not the Orleans Levee District. In addition, the levee district's legal counsel has advised that any representative of the Orleans Levee District is prohibited by R.S. 42:1141(E)(12) and (13) from responding further on this subject until any legal impediment is removed. See management's response at B-133.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

PUBLIC SAFETY AND CORRECTIONS - CORRECTIONS SERVICES, DEPARTMENT OF

Improper Accumulation of Compensatory Leave

The Department of Public Safety and Corrections - Corrections Services has not established adequate internal controls to ensure compliance with Civil Service Rule 11.29 regarding the accumulation of straight-time compensatory leave. Civil Service Rule 11.29 requires that no more than forty-five (45) working days, or 360 hours, of compensatory leave be carried forward into the next calendar year. The compensatory balance can fluctuate above that amount during the year; however, as of December 31, each year, an employee's compensatory leave balance must be reduced to a maximum of 360 hours. Allowing more than 360 hours to be carried forward and used would violate Article VII, Section 14 of the Louisiana Constitution of 1974, prohibiting the donation of a thing of value (salary) of the state to a person.

Internal departmental regulation A-02-002 of Corrections Services, Section 7-I-4 (b) states that employees may accumulate and carry forward (to the next calendar year) an amount of hours equivalent to a maximum of 45 working days of straight-time compensatory leave. The department regulation defines the equivalent of 45 working days as 360, 450, or 540 hours depending on whether the employee normally works an 8-, 10-, or 12-hour day. Consequently, the department's hourly definition of 45 working days is not consistent with Civil Service's definition that limits the carry forward to 360 hours.

Our test of straight-time compensatory leave balances as of December 31, 1996, found that Louisiana State Penitentiary had 217 employees with balances ranging from 1 to 247 hours in excess of 360 hours, and Prison Enterprises had 10 employees with balances ranging from 24 to 1,141 hours in excess of 360 hours. These excessive balances were carried forward into January 1997, in violation of the Civil Service rule. Although employee compensatory leave balances in the other budget units were not tested, personnel informed us that the compensatory policy applies to the entire department, and, consequently, other violations are likely to have occurred.

An adequate system of internal control provides for the monitoring of straight-time compensatory leave balances and compliance with state laws and regulations. The risk exists that employees will be allowed to use and/or be compensated for compensatory time in excess of Civil Service rules.

The department should update its procedures and regulations to ensure compliance with Civil Service rules for compensatory leave. In a letter dated December 18, 1997, Mr. Bernard E. "Trey" Boudreaux, III, Undersecretary, stated, "The department acknowledges that your office believes Department Regulation Number A-02-002, *Administrative, Human Resource Management, Pay Administration and Management*, dated 25 July, 1996, is inconsistent with Civil Service's definition regarding the accumulation of 45 working days of compensatory leave.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

As noted, the department regulation defines the equivalent of 45 working days as 360, 450, or 540 hours depending on whether the employee normally works an 8, 10, or 12 hour day. The department regulation was based on the previous version of Civil Service Rule 11.29, which did include the provision to carry forward 45 working days, *or equivalent thereof*, into the next calendar year. This interpretation is consistent with other Civil Service rules involving provisions of the Fair Labor Standards Act. These provisions allow for the number of hours in a work period to be based on the job type and work schedule of the employee.

"As discussed with your staff, there are inconsistencies between the Civil Service Rule and the Civil Service Manual regarding the application of this particular rule. In order to resolve this situation, the department raised this issue at the Civil Service Commission Meeting held on December 3, 1997. At the meeting, the Commission directed the Civil Service Director and his staff to review this information and determine whether any rule changes are required.

"In terms of improving internal control by monitoring the amount of compensatory time earned and accumulated by employees, the department will continue to periodically generate and disseminate reports which will allow the units to better monitor and manage the compensatory leave balances.

"The department will reinforce the need for improvement in this area. While there are several instances where employees have accumulated hours in excess of the department regulation, these are not wide-spread and were generally accumulated due to specific or institutional demands such as emergency responses, harvesting of crops, etc. The department will await the decision of Civil Service, however, before taking any action in regards to its leave accumulation policy." See management's response at B-137.

RISK MANAGEMENT, OFFICE OF

Overstatement of Reserves for Claim Payments

The Office of Risk Management (ORM) has overstated reserves for second injury claims and has not requested timely reimbursements from the Second Injury Fund. The Second Injury Fund exists to encourage the employment of physically handicapped employees who have a permanent, partial disability by protecting employers and their insurers from excess liability when a subsequent injury to such an employee merges with his preexisting disability. R.S. 23:1378 divides the financial responsibility for paying second injury claims between the insurer (ORM) and the Second Injury Fund. In addition, it sets limits for insurer reserves for future payments and states that no reimbursement will be made to the insurer unless the insurer certifies compliance with those limits on reserves.

Although ORM made the necessary certifications and set the reserve at the proper amount at the time the Second Injury Board was notified of the claim, we found that ORM's reserves for second injury claim payments had subsequently been increased and exceeded the legal limit in

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

9 of 16 claims tested, for a total of $219,862. For 4 of the 16 claims, ORM has not requested reimbursements from the Second Injury Fund although ORM has been making payments on these claims for periods of over one to two years. These errors occur when adjusters increase reserves without noticing legal reserve restrictions.

Failure to set reserves at the proper amount and failure to bill timely places the office at risk of losing reimbursements from the Second Injury Fund. In addition, errors in reserves cause misstatements on the financial statements of the State of Louisiana.

ORM should comply with legal limits on reserves for second injury claim payments. Furthermore, ORM should request timely reimbursements from the Second Injury Fund. In a memorandum dated October 17, 1997, Mr. Seth E. Keener, Jr., State Risk Director, concurred with the finding and recommendation. Mr. Keener stated that excess reserves on the claims noted in the finding have been adjusted to the proper limit and reimbursement has been requested for the four claims for which reimbursement was not requested timely. Mr. Keener further stated that a review to verify the reserve amounts and reimbursement status of second injury claims was recently completed. See management's response at B-146.

SOCIAL SERVICES, DEPARTMENT OF

Attendance and Leave Records Not Maintained

The Department of Social Services failed to maintain daily attendance and leave records for six unclassified employees. Executive Order MJF 96-79, Section 20(A) requires the department to maintain daily attendance and leave records for each unclassified employee who is eligible to accrue annual, sick, and/or compensatory leave. The Department of Social Services has interpreted this executive order to allow unclassified employees, appointed by the governor, to earn annual and sick leave although they are not required to use such accumulated leave when they are absent from work. Our review of leave for appointed officials disclosed that the assistant secretary of the Office of Community Services was absent from work on July 17, 1997. However, she received credit for eight hours of work that day and earned additional leave at her current rate for hours worked. This occurred because the on-line time and leave entry system used by the state will indicate that eight hours of work were performed each day unless specific hours of leave used are entered into the system. Because the six unclassified employees do not maintain attendance records, the timekeeper will be unaware of any leave taken and will be unable to enter the appropriate adjustments for leave used into the on-line time and leave entry system. We were unable to determine if additional leave should have been charged to these six employees because attendance records were not maintained.

Failure to accurately record the use of leave can result in unnecessary expenses for the state because employees leaving state service are paid for a portion of their accrued annual leave and the remaining leave balances are used in calculating an employee's pension benefits at retirement.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

The Department of Social Services should fully comply with Executive Order MJF 96-79 by requiring all employees to maintain accurate daily attendance and leave records and by requiring the six unclassified employees to charge leave when absent from work. In a letter dated September 19, 1997, Mr. Thomas Joseph, Director of the Division of Fiscal Services, concurred with the finding. Mr. Joseph stated that department personnel had attended a meeting in January 1997 regarding the time and attendance of unclassified gubernatorial appointees. At that time, representatives from the governor's office indicated that Executive Order MJF 96-79 would be revised. Mr. Joseph also said that department personnel again contacted the Division of Administration on August 21, 1997, to determine the status of the revisions to the executive order. Mr. Joseph indicated that it is the department's intention to fully comply with the revised executive order once it is received. See management's response at B-147.

SOUTHERN UNIVERSITY AT NEW ORLEANS

Untimely Recording and Clearing of Travel Advances

For the second consecutive year, Southern University at New Orleans did not adequately monitor employee travel advance transactions to ensure the timely and accurate posting of the general ledger and the clearing of travel advances within the time period required by university policy and state regulations. University policy requires employees receiving a travel advance to submit documentation to clear the advance within five days after the travel expires and before receiving another advance; otherwise, the amount of the advance may be deducted from their pay. State regulations, Policy and Procedure Memorandum No. 49--General Travel Regulations, Chapter 15, Section 1503 (A)(5)--allows an employee until the fifteenth day of the month following the completion of travel to clear a travel advance. In our test of travel advances issued to employees by the university, we noted the following deficiencies:

- The employee responsible for reviewing travel documentation and posting entries to the general ledger did not record travel transactions when employees submitted their travel expense claims. Of 10 travel advances tested, all were posted to the ledger between 52 and 279 days after the last day of travel.

- The university has not required employees to pay balances due on travel advances before receiving an additional travel advance. The university's practice has been to net all outstanding balances for each employee at fiscal year-end and require the year-end balance to be paid prior to receiving a travel advance in the subsequent fiscal year. Of the 10 travel advances tested, 5 travel advances, totaling $1,877, had not been collected or deducted from employee's pay at June 30, 1997. These advances were for travel that ended between November 10, 1996, and April 27, 1997.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

- There were 17 instances where five employees received an additional travel advance without clearing a prior travel advance.

- The New Orleans campus has $40,350 in outstanding travel advances at June 30, 1997.

Because of inadequate supervision and lack of emphasis on enforcing compliance with university policies and state regulations, travel advances remain outstanding for long periods of time resulting in increased risk that material errors and irregularities could occur and not be detected timely.

The university should ensure travel advances are processed and recorded properly and are cleared in a period of time that complies with both university policy and state regulations. In a letter dated December 5, 1997, Dr. Leon R. Tarver, II, President of the Southern University System, concurred with the finding and recommendation. Travel advances have now been assigned to another employee, and new procedures have been developed including the use of a travel log for maintenance of travel advances, and the submission of a monthly report to the comptroller for the purpose of deducting outstanding travel advances from employees that do not meet established guidelines. Of the $40,350 in travel advances, $10,439 has been repaid to the university, and the university has initiated payroll deductions for those travel advances that were not cleared. Furthermore, no additional travel advances will be issued to employees with outstanding travel advances. See management's response at B-176.

SOUTHERN UNIVERSITY AT SHREVEPORT-BOSSIER CITY

Lack of Repayment of Unauthorized Student Loans

For the second consecutive year, Southern University at Shreveport-Bossier City has not reimbursed state funds for loans improperly made during fiscal year ended June 30, 1995. In our audit for fiscal year ended June 30, 1995, we reported that the Southern University - Shreveport-Bossier City campus overawarded federal Perkins loans by $131,250 and used state funds to cover the overaward amount. The use of state funds for this purpose results in a violation of Article VII, Section 14(A) of the Louisiana Constitution that states, in part, funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private. The overaward occurred because the university incorrectly calculated the amount of federal funds available for student loans and resulted in the university loaning $131,250 more than was available under the Perkins Loan Program during the year ended June 30, 1995. To cover these loans, the university transferred from various auxiliary and restricted accounts of the university, state funds that were not authorized for the purpose of making loans. The university

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

has been unable to locate alternate funding sources to repay the various auxiliary and restricted funds for the amounts loaned to students.

By not reimbursing the auxiliary and restricted funds for the amount used for the loans, the university does not have the $131,250 available for the purposes established for the auxiliary and restricted funds.

The university should continue to seek alternate funding sources for these loans and repay the various auxiliary and restricted accounts. In a letter dated December 5, 1997, Dr. Leon R. Tarver, II, President of the Southern University System, concurred with the finding and recommendation and stated that the employee responsible for the incorrect calculation of federal funds available for student loans has been transferred to another position with the university. Although efforts have been unsuccessful in acquiring the necessary funds for repayment, the university is continuing to explore alternative funding to repay the loans. Also, the university has forwarded the loans to Eduserve for proper monitoring and collection, and through October 31, 1997, $2,457 has been received in collections on these loans. See management's response at B-185.

INTERNAL CONTROL OVER FINANCIAL REPORTING

EXECUTIVE DEPARTMENT

Ineffective Internal Audit Function

For the fifteenth consecutive year, the State of Louisiana did not have an effective internal audit function for state government to examine, evaluate, and report on its internal controls, including data processing, and to evaluate its compliance with the policies and procedures of the control system.

Currently in Louisiana, approximately 119 internal auditors provide coverage to 16 state agencies, 11 state hospitals, 11 state colleges/universities (22 campuses), one court, and one levee district. The Governor also established the Office of the State Inspector General (IG) in fiscal year 1988 to provide an internal audit function for state agencies and to provide other valuable services to the state through investigative auditing and the operation of a complaint hotline. However, because of funding limitations, the IG does not have adequate staffing to perform an effective internal audit function. Currently, there are 13 auditors in the IG's office.

Although internal audit resources exist within the agencies noted previously, our study and evaluation of the state's internal controls for the year ended June 30, 1997, found that an effective internal audit function did not exist in the following agencies. While the following

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

should not be considered an all-inclusive list, their approximate collective assets and revenues demonstrate the need for an effective internal audit function within Louisiana state government.

	Assets	General Appropriations/ Revenues
Department of Agriculture and Forestry	$13,285,472	$45,559,622
Executive Department	85,000,000	232,000,000
Department of Natural Resources	86,000,000	419,000,000
Northeast Louisiana University	156,691,931	98,845,166
Pinecrest Developmental Center	8,880,384	63,286,747
Department of Public Safety and Corrections - Corrections Services	63,337,640	476,252,804
Department of Public Safety and Corrections - Public Safety Services	100,259,166	1,166,128,203
Department of Revenue	700,000,000	4,700,000,000
Office of Risk Management	141,766,340	227,103,117
Office of Telecommunications Management	8,800,854	37,753,063
Total	$1,364,021,787	$7,465,928,722

Act 17 of the 1996 Regular Session of the Louisiana Legislature requires agencies with an appropriation level in excess of $30 million to use existing program resources and table of organization for the purpose of establishing an internal auditor position. Considering the state's reported assets (approximately $38 billion) and its operating revenues (approximately $15 billion) and the number of control and compliance findings contained in this report, we believe that an effective internal audit function is needed to ensure that the state's assets are safeguarded and that state policies and procedures are uniformly applied.

The State of Louisiana should take the necessary steps to establish an effective internal audit function by either reallocating or increasing available internal audit resources or by pursuing other alternatives to accomplish this objective. In a letter dated February 23, 1998, Mr. Mark C. Drennen, Commissioner of Administration, stated, "We agree with the finding that additional internal audit functions are needed in all departments. We continue to evaluate current internal audit needs and existing resource levels to ascertain the additional level of funding needed to provide that resource and work to find and provide those resources to the agencies. However, due to a lack of financial resources and this administrations stated objectives to do more with less, it will be incumbent upon each department to identify current resources which can reallocated be utilized for the internal audit function." See management's response at B-195.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

Inadequate Controls in State's Electronic Data Processing Systems

The State of Louisiana did not have adequate internal controls at the agency level for the Advanced Governmental Purchasing System (AGPS) and the Government Financial System (GFS). Access to these systems is restricted through the use of passwords and user identification (ID) codes; however, this access was not properly restricted to ensure that the integrity of data is maintained.

Effective internal controls should provide the following:

- Individuals should be permitted business-need-only access to data files and functions necessary to perform their normal duties.
- Written procedures should be established for the issuance and timely deletion of user ID codes.
- Duties should be segregated so that no one employee is in a position to both initiate and conceal errors or fraud.
- Documentation should be maintained for system applications and authorization of user access.

Failure to establish adequate controls in an on-line data entry environment could result in the loss of data and the failure to prevent or detect errors or fraud in processing transactions.

Our audit of the internal controls relating to AGPS and GFS throughout the state disclosed that effective internal controls did not exist in the following six state agencies and one state hospital.

1. The State Department of Education did not have adequate control procedures for the assigning and monitoring of access given users for the input of transactions into AGPS and GFS. The AGPS/GFS Security Administrator instructed nine employees to use four user IDs assigned to other employees, including one user ID assigned an employee who had recently retired. These instructions circumvented an Office of Statewide Information Systems (OSIS) policy that temporarily denied these nine employees being assigned new user IDs with access to perform different functions. As a result of the Security Administrator's actions, these nine employees had use of two user IDs each with access to both enter and approve transactions in AGPS and GFS. The Director of Purchasing instructed a new employee to use the user ID of a former employee. Six of 90 user IDs listed on the May 31, 1997, AGPS Security Report and 7 of the 98 active user IDs listed on the June 4, 1997, GFS System User ID Listing by Agency Report, belonged to former employees whose access to the systems

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

had not been disabled. Eight of these employees listed on one or both of these reports had terminated their employment during 1996. Thirty-six of the 90 AGPS user IDs were assigned incompatible functions. Included in this total were 29 employees for whom the functions of requisitioning, purchasing, and receiving were not segregated from invoice processing, accounts payable, and general ledger functions; six employees for whom the functions to enter new vendors and approve payments were not segregated; and one employee who had both sets of incompatible functions as mentioned previously.

2. The Department of Public Safety and Corrections - Corrections Services has not established adequate internal controls over EDP. The department has no written procedures pertaining to the deletion of user ID codes once an employee terminates or no longer has a legitimate need for access. Furthermore, the department does not have adequate supervisory review to ensure that employees do not have access greater than their business need. Our tests of controls for users with access to AGPS and GFS disclosed that 4 out of 115 GFS users reviewed were terminated, but their user ID codes were not disengaged. Fifteen of 306 AGPS users were terminated or transferred to another agency and their user ID codes were not disengaged. Three out of 306 employees with access to AGPS changed budget units within the department, but their access was not disengaged.

3. The State Employees Group Benefits Program did not have written procedures to delete user IDs for terminated or transferred employees in a timely manner in AGPS and GFS. In addition, the program does not have adequate supervisory review to ensure that employees do not have access greater than their business need. During our review, we noted that access to AGPS was not removed timely for one employee who had terminated employment. Access to GFS was not removed timely for two employees who had terminated and for three employees who had transferred to different sections of the program. One employee had access to data that was greater than his business need.

4. The Department of Natural Resources has not established adequate internal controls over AGPS and GFS. During our review of the department's EDP user controls, we noted that there were no written procedures for the issuance of user IDs or the deletion of user IDs once an employee terminates. Access to AGPS was not removed timely for three employees who terminated. We noted that access for these employees was not deleted until three to seven months after termination. Five employees have access to both enter new vendors in AGPS and to approve vendor payments.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

5. The Office of Telecommunications Management has not established adequate user controls over EDP. During our review of the office's EDP controls, we noted that there are no written procedures pertaining to the issuance of user ID codes or the deletion of user ID codes once an employee terminates or no longer has a legitimate need for access. In our review of AGPS, 13 of 32 users who had access to AGPS did not need the access to perform their duties. There are no monitoring procedures to ensure that individuals are permitted access only to the data files and programs necessary to perform their duties.

6. Doctor Walter Olin Moss Regional Medical Center (Moss) has not established adequate internal controls relating to EDP. The medical center has no written procedures pertaining to the issuance of user ID codes or the deletion of user ID codes once an employee terminates or no longer has a legitimate need for access. We reviewed the Integrated Statewide Information Systems (ISIS) security access tables and observed that one employee had two user ID codes, and three former employees of the medical center still had access to AGPS. We also reviewed the Shared Medical System (SMS) security report for 17 user ID codes and noted that four former Moss employees still had access to SMS. In addition, four Moss employees with current access had not signed onto the system in the last year, which indicates that EDP access is no longer necessary for these individuals. Our review also indicated that security functions had been performed by employees other than those authorized by management to enable and delete users.

7. For the fourth consecutive year, the Department of Public Safety and Corrections - Public Safety Services has not established adequate internal controls over EDP. Our tests of access controls over the in-house system used to process time and attendance records and other accounting data disclosed that user IDs for 15 former employees had not been deleted. In addition, IDs for 14 former employees with access to the statewide purchasing system (AGPS) had not been deleted. These employees had terminated for periods of two weeks to two years. In addition, employees of the Liquefied Petroleum Gas Commission share IDs and passwords to gain access to the EDP system used by the commission. The duties of employees with access to EDP applications were not adequately segregated. Four security coordinators in the Office of Motor Vehicles and one security coordinator in the Office of Management and Finance had the capability to sign on to the system using another employee's ID and have sufficient knowledge of the system to process transactions. The department has not maintained adequate documentation defining in-house system transactions. We selected a sample of computer users and examined the documentation for all transaction codes assigned to the selected users. There was no documentation maintained for 19 of 244 motor vehicle transactions and for 22

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

of 106 driver management transactions. Therefore, we were unable to determine the capabilities of the employees who use the driver management and vehicle registrations systems that are assigned those codes. The department did not maintain adequate documentation authorizing access to systems including terminal registration numbers. During a review of authorization of user access, we found no evidence of authorization for four of five employees tested. We were unable to locate documentation of the location of terminal registration numbers. These numbers allow for limiting terminal access to selected locations.

The State of Louisiana and its agencies should take the necessary measures to ensure that employees' duties are properly segregated and that user IDs assigned to individuals are valid and used only by that individual. In addition, written controls and procedures should be developed and implemented so that the Security Administrators are notified immediately of any change in employment status or duties of individuals so that the user IDs for individuals that no longer require access can be disabled timely. In a letter dated February 20, 1998, Mr. Mark C. Drennen, Commissioner of Administration, did not concur with this finding. Mr. Drennen stated that the ISIS project team established security procedures for state agencies and distributed this information to the agencies via memorandums, the *Agency Implementation Guide*, and meetings. Agencies are instructed to review security reports provided to them and instructions for reviewing these reports were provided in September 1995. Even though the ISIS Project Team established security procedures to be followed, Mr. Drennen does not believe that it is the responsibility of OSIS to monitor compliance within each agency. Mr. Drennen agreed that there is a need for additional training of state agencies in ISIS security and agreed to accept responsibility for providing that training but reiterated that it is the agencies' responsibility to enforce adherence to established policies. See management's response at B-193.

Additional Comments: R.S. 39:78 authorizes the Commissioner of Administration to prescribe, install, and maintain a uniform system of accounting in all state agencies. We believe that ensuring the security of the state's computerized accounting system (GFS) and purchasing system (AGPS) is part of maintaining that system. Although the Commissioner disagrees that it is the responsibility of the Division of Administration to monitor compliance within each agency, Mr. Drennen does agree to continue the process of educating the agencies, to reemphasize security issues, and to provide updated security procedures for distribution to agency liaisons and security administrators. These actions are directed toward bringing agencies into compliance with the security procedures designed by the Division of Administration and are positive steps toward resolving this finding.

Improper Access to GFS Production Data and Program Libraries

The Office of Information Services Government Financial System (GFS) application programmers and the American Management Systems, Inc., project programmers have access to the production datasets that house GFS production data and to application production program

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

libraries. This control deficiency allows programmers to change application programs or data without the knowledge of the application users. Consequently, programmers have the ability to initiate and conceal errors and/or fraud.

Management should limit access to the production data and production program libraries to those individuals who have a business need in performing their job functions. Programmers should never have direct access to production programs or data. Management concurred with the finding and has implemented corrective action (B-15).

GRAMBLING STATE UNIVERSITY

Grambling State University Foundation, Inc., Delinquent Accounts Receivable

For the second consecutive year, Grambling State University has not actively pursued collection of an outstanding receivable from the Grambling State University Foundation, Inc. (Foundation). Good business practices require the university to pursue collection of all receivables, to include any legal remedies afforded for the enforcement of the agreement between the university and the Foundation. This receivable was established to cover scholarships awarded in prior years by the Foundation. Based on an agreement dated April 28, 1989, the Foundation was to make $50,000 annual payments to the university until the balance was liquidated. The Foundation failed to make the required payments during fiscal years 1995-96 and 1996-97, leaving an outstanding balance of $343,573 at June 30, 1997.

The Foundation was experiencing financial difficulties, as noted in its fiscal year ended December 31, 1994, audit report released on March 13, 1996, and may be unable to fulfill its obligation to the university. Audits of the Foundation for the years ended December 31, 1995, and 1996 have not been completed; therefore, the current financial position of the Foundation cannot be determined. If the Foundation fails to pay the outstanding balance of this receivable, the university may then have an asset on its books that is overstated. Failure to collect on this debt may result in a possible donation of public funds.

Grambling State University should pursue enforcement of the agreement with the Foundation and obtain the required payments. In a letter dated October 3, 1997, Dr. Raymond A. Hicks, President, stated that the university does not concur with the finding. He stated that the university has actively pursued collection of the outstanding debt and has considered legal remedies to enforce the agreement dated in April 1989, and that numerous meetings were held with representatives of the University of Louisiana System Board of Trustees (Board) and others concerning this issue. In these meetings, it was determined that the original agreement may not be binding and that a new agreement was needed. This new agreement was approved by the Board on June 27, 1997. Dr. Hicks feels this new agreement enhances the university's ability to receive payments from the Foundation and is in the best interest of the university and the foundation. See management's response at B-19.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

Additional Comments: We understand that a new agreement was probably needed and are aware that it was executed. The new agreement, however, was not signed by the President of the University and the Executive Director of the Foundation until August 11, 1997, which is after the close of the fiscal year under audit. No payments from the Foundation have been made for two consecutive fiscal years, and the new agreement does not call for a payment from the Foundation until May 1998.

HEALTH AND HOSPITALS, DEPARTMENT OF

Electronic Data Processing Control Weaknesses

(See detailed reporting in finding #F-97-HHS-DHH-7, in Schedule C, page 125.)

LOUISIANA STATE UNIVERSITY MEDICAL CENTER (NEW ORLEANS)

Untimely Billing

Louisiana State University Medical Center (New Orleans) Professional Practice Association (PPA) has not developed and implemented effective procedures to ensure that all patient account charges are billed timely. Prudent business practices dictate that charges be billed soon after patients are discharged. In our review of the PPA billing and collection system, we determined that numerous patient account bills had not been processed through the medical center's computer system, with charges not being billed from 2 to 12 months after the date of discharge. This necessitated that unbilled charges be estimated at June 30, 1997, for presentation in the medical center's financial statements. The total estimate for gross unbilled charges was approximately $4.4 million.

Management did not allocate sufficient resources to develop and implement procedures to ensure that patient account charges are billed timely. Failure to develop and implement controls over patient account billings diminishes the chances for collectibility and increases the risk that errors and/or fraud may not be detected in a timely manner.

Management should establish and implement policies and procedures to ensure that all patient account charges are billed timely. In a letter dated October 27, 1997, Robert L. Marier, M.D., MHA, Dean, School of Medicine in New Orleans, concurred with the finding and stated that steps have been taken to correct the problem. The backlog of billings is now approximately four to six weeks, and the ultimate goal is to process bills within five working days. See management's response at B-82.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

Untimely Liquidation of Patient Account Credit Balances

For the fourth consecutive year, Louisiana State University Medical Center (New Orleans) PPA has not instituted internal control policies and procedures to ensure that outstanding patient credit balances, which result from overpayments by patients and insurance companies, are reviewed and liquidated on a timely basis. At May 21, 1997, the PPA has outstanding credit balances of $816,063 from patient overpayments.

Good internal controls require management to establish policies and procedures to record transactions timely and accurately. In addition, R.S. 9:164 requires that any monies due and payable for more than one year are presumed abandoned and must be reported to the Department of Revenue.

Ownership of the current credit balances should be determined, the monies should be returned to the rightful owners, and all credit balances more than one year old should be reported to the Department of Revenue. In a letter dated October 27, 1997, Robert L. Marier, M.D., MHA, Dean, School of Medicine in New Orleans, concurred with the finding and stated that corrective actions have been taken. Balances are being researched and appropriate actions are being taken to either refund amounts, correct balances, or identify balances that should be remitted as unclaimed property to the State of Louisiana. Procedures have been established to prevent the future accumulation of credit balances. See management's response at B-85.

MEDICAL CENTER OF LOUISIANA AT NEW ORLEANS

Failure to Verify the Claims Edit Listing

The Medical Center of Louisiana at New Orleans has not properly verified the Claims Edit Listing received from the Office of Risk Management. Each quarter, the Office of Risk Management distributes to all state agencies a Claims Edit Listing that contains all claims submitted by each agency. The Office of Risk Management uses this listing for computation of experience ratings and premiums. The Office of Risk Management requests that the agencies review this listing for accuracy and report any errors or omissions to the Office of Risk Management.

Because the medical center failed to properly verify the Claims Edit Listing, any errors or omissions would not be detected by the appropriate medical center employees in the normal course of their duties. In addition, experience ratings and premiums assessed by the Office of Risk Management could be incorrect since these errors or omissions are not reported to the Office of Risk Management.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

The Medical Center of Louisiana at New Orleans should ensure that the quarterly Claims Edit Listings received from the Office of Risk Management are reviewed by the appropriate personnel for accuracy and completeness of the claims reported. Furthermore, the medical center should ensure that any errors or omissions detected by the appropriate personnel are properly reported to the Office of Risk Management. In a letter dated September 9, 1997, Dr. Michael Butler, Chief Operating Officer, concurred with the finding and recommendation and stated that a corrective action plan was implemented on July 7, 1997, to ensure that the Claims Edit Listing will be verified in the future. See management's response at B-91.

Inaccurate Patient Charges

For the tenth consecutive year, the Medical Center of Louisiana at New Orleans has not completed the development and implementation of effective procedures to provide management with assurance that all charges incurred by patients are accurate and billed timely. Complete and accurate information on patient charges is needed to ensure that the medical center is maximizing revenue.

In our test of inpatient ineligible patient charges for 25 patients' accounts, the following deficiencies were noted:

- Six (24 percent) of the patients' bills were not produced timely. Final bills for the 6 patients were prepared in excess of 30 days following discharge.

- At our request, the medical center's Coding and Revenue Enhancement Department audited the 25 bills, totaling $384,338. Those audits by the Coding Department revealed inaccuracies in all 25 of the bills. It was determined that 23 bills contained undocumented charges (overcharges), totaling $28,651 (7 percent). Also, there were undercharges or unbilled charges on 24 of the bills, totaling $61,668 (16 percent).

- Documentation of the financial eligibility information could not be located for 7 (28 percent) of the 25 patients' files.

In addition, in our test of inpatient Medicare and Medicaid charges, we determined that for 8 (33 percent) of the 24 patients tested, bills were not produced timely. Bills for the 8 patients were produced in excess of 30 days following discharge.

As a result, management has no assurance that all services performed are billed to patients or that amounts billed to patients are timely and accurately reflect charges for services actually received.

Management of the Medical Center of Louisiana at New Orleans should ensure that all charges are documented in the patients' medical records and are processed into the billing system. In addition, the medical center should continue to establish written procedures for patient account

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

information to provide assurance that charges incurred by patients are accurate and billed timely. In a letter dated September 9, 1997, Dr. Michael Butler, Chief Operating Officer, concurred with the finding and recommendation and stated that in April 1997, the medical center established a plan to develop and implement procedures to provide management with assurance that all charges incurred by patients are accurate and billed timely. See management's response at B-92.

Inadequate Controls Over Perpetual Inventories

The Medical Center of Louisiana at New Orleans did not adequately maintain control and accountability for its pharmacy and warehouse inventories. Good internal controls require that there be an adequate system to account for the receipt, issuance, valuation, and disposition of inventory items. These controls should include investigating, documenting, and approving significant variances between the perpetual inventory records and physical counts and maintaining accurate perpetual records to ensure the propriety of inventory balances.

Accurate perpetual inventory records were not maintained during the year by the medical center. Because of problems related to the microwave wide area link, the inventory data were often lost when being transmitted from one location to another. The medical center did not have a system in place to verify that the data entered into the computerized inventory tracking system at one site were actually transmitted, received, and recorded into the system at another site. In our test counts of the pharmacy department inventory, we determined that for 6 of 20 items tested, the physical counts did not agree with the perpetual records. For the warehouse inventory, 11 of 20 items tested did not agree between physical counts and perpetual inventory records. Failure to maintain an adequate perpetual inventory increases the risk that losses may occur and not be detected in a timely manner.

The medical center should ensure that an accurate perpetual inventory system is maintained by correcting the problems related to the transmission and receiving of data over the microwave wide area link. Furthermore, the medical center should ensure that significant variances between the perpetual records and the physical counts are investigated, documented, and approved. Management of the medical center concurred with the finding and recommendations. See management's response at B-102.

NORTHEAST LOUISIANA UNIVERSITY

Inadequate Controls Over Accounts Payable Disbursements

Northeast Louisiana University does not have adequate segregation of duties within the accounts payable function and has other weaknesses that increase the risk of misappropriation of funds. Adequate internal control policies and procedures require that the university design a system that discourages incompatible functions that could permit an employee to conceal the

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

misappropriation of funds. In addition, policies and procedures should require manual signatures on large checks, rather than using signature plates. In our consideration of the accounts payable function, we noted the following:

1. One person controlled access to check-signing signature plates, the check-signing machine, and the blank checks.

2. Employees of the accounts payable department:

   - Process payments to vendors
   - Have access to blank checks
   - Have access to the signature plates
   - Sort and distribute signed accounts payable checks

3. The university has not established a policy requiring manual signatures on large checks.

4. The individuals whose signatures are represented on the signature plates do not control signature plates.

These conditions exist primarily from the reassignment of duties in the absence of filling vacancies, without adequate consideration being given to the impact on internal controls. Allowing employees the access noted previously increases the opportunity to prepare invalid checks, apply valid signatures, and process the checks without being questioned by the financial institutions. This, combined with the absence of a policy requiring manual signatures on large checks, allows the possibility for large-scale fraud and the inability to recover the loss from the financial institution.

Northeast Louisiana University should establish adequate segregation of duties within the accounts payable function and should establish policies and procedures to reduce the risk of large-scale misappropriation of funds. In a letter dated October 1, 1997, Mr. Lawson L. Swearingen, Jr., President, stated that the university concurred with the finding and has implemented additional control procedures to address this matter (B-107).

Inadequate Controls Over Athletic Revenues

For the third consecutive year, Northeast Louisiana University has not maintained adequate control over all athletic revenues. Good internal controls and business practices require establishment of accountability for all revenues earned, as well as maintenance of complete and orderly records to support the distribution of tickets and to ensure that all revenue from ticket sales is received. During our review of athletic revenue, we noted the following exceptions:

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

1. For a home football game with Northwestern State University:

   - The university could not fully account for all unsold youth tickets, valued at approximately $15,150. As a result, we were unable to ascertain that reported sales of approximately $1,360 in youth tickets corresponded with youth tickets actually sold.

   - The game ticket summary report and the related pre-print ticket report did not reconcile. The game ticket summary report details ticket sales and the pre-print ticket report details the number of tickets printed before game day. The applicable sections of these reports disagreed and we were unable to determine which, if either, was correct.

   - The game ticket summary report and the related tickets printed report and unsold tickets on hand did not reconcile. This event reflected that more tickets were sold than were printed. Management had no explanation for this occurrence.

2. There is a lack of accountability for tickets provided by opposing teams when the university is playing an away game. Occasionally, both complimentary and for-sale tickets are provided to the university by opposing teams. The value of the tickets sold is reduced from the game guarantee and the unsold tickets are returned. The university has not established adequate procedures for reconciling total tickets received, sold, complimentary, or returned.

3. Records maintained for damaged tickets are inadequate. Ticket stock is occasionally destroyed during ticket numbering. In the absence of inventoried ticket stock and documentation of damaged ticket stock, it is impossible to determine if all tickets have been accounted for.

4. General admission roll stock tickets are not adequately inventoried. Roll stock tickets are purchased in bulk and stored in a vault in the athletic ticket manager's office. There is no inventory maintained on these tickets and withdrawals from the vault for selling purposes or issuance for complimentary tickets are not recorded.

5. Reported game revenue and bank deposits do not reconcile. Revenue generated by each individual game is not traceable to bank deposits because the accounting system does not provide for specific accounts for each event. In addition, one daily deposit was $50 short of total cash collected per the ticket seller report and a $184 overage was recorded to ticket revenue instead of the over/short account.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

These conditions exist because management has not placed the necessary emphasis on procedures to ensure that athletic ticket revenues are properly accounted for. As a result, the university does not have assurance that all revenues collected relating to sporting events are properly received and reflected in university records.

Northeast Louisiana University should review all procedures related to ticket printing, numbering, selling, and reporting, and establish procedures that will ensure accountability for all tickets. In a letter dated October 23, 1997, Mr. Lawson L. Swearingen, Jr., President, stated that the university concurred with the finding and that changes are being implemented to address the matters noted in our audit (B-108).

Inadequate Controls Over Bookstore Cash

Northeast Louisiana University does not have adequate internal controls over bookstore cash. It is management's responsibility to provide for, and maintain, adequate internal controls over cash, to include safeguarding of assets by establishing accountability, reconciling balances, and performing timely investigations of missing funds. Through discussions with agency personnel and review of agency records, the following matters were disclosed:

1. Approximately $3,150 of petty cash/change fund was reported missing over a six-month period from August 1995 through February 1996. This apparent theft was charged to the expenditure category "Other Charges" in the Auxiliary Fund for the year ended June 30, 1996.

2. Approximately $300 was reported stolen from the university's Booth Store in July 1996, and another $300 was reported stolen in August 1996. The Booth Store is operated in the Pecanland Mall walkway. Both of these thefts reportedly occurred after normal business hours.

These conditions exist because management has not placed considerable emphasis on accountability and safeguarding of all assets. Since the university did not adequately safeguard cash through a system of established accountability and physical security, approximately $3,750 of cash was apparently stolen.

Northeast Louisiana University should review the policies and procedures in place at the bookstore and at the Booth Store and establish the necessary controls to reduce the risk of additional losses. In a letter dated September 26, 1997, Mr. Lawson L. Swearingen, Jr., President, stated that the university concurred with the finding and has implemented additional procedures designed to preclude a reoccurrence of these matters (B-110).

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

Inadequate Monitoring of Financial Position

Northeast Louisiana University did not adequately monitor its financial position during the fiscal year ended June 30, 1997. An adequate internal control system includes procedures to ensure that the university matches expenditures with available resources and does not spend more funds than it has or will collect. In addition, state law prohibits any state agency from having a deficit in its general fund. During the third quarter of the fiscal year, management began to address the revenue shortfall that had begun during the first quarter when enrollment decreased by approximately 5 percent. At that point, expenditure reduction was insufficient to handle the magnitude of the shortfall in tuition and fee revenue, and alternative measures were required. Ultimately, approximately $1 million of expenditures were transferred to various other funds to avoid a deficit. In addition, the auxiliary funds of the university continue to operate at a deficit and rather than taking steps to eliminate the overall deficit, the university continues to expend more funds than are available.

Management has not placed the necessary emphasis on the overall operations of the university to ensure that only available resources are used. As a result, the university has been placed in a position of using resources from other funds to cover General Fund expenditures and has depleted reserves to a possibly dangerous low level. In addition, the university continues to expend money that is not available in its Auxiliary Fund that increases the deficit in this fund.

Northeast Louisiana University's management should ensure that university operations are monitored more closely and expenditures are regulated in a manner that will prevent a future deficit situation. In a letter dated November 13, 1997, Mr. Lawson L. Swearingen, Jr., President, stated that the university concurred with the finding and is taking positive steps to improve the monitoring of its financial position (B-112).

Lack of Accountability Over Complimentary Sporting Event Tickets

Northeast Louisiana University issued in excess of 56,000 complimentary tickets to sporting events during the fiscal year ended June 30, 1997, while continuing to report a deficit in the athletic auxiliary fund. It is management's responsibility to exercise prudence in controlling the issuance of athletic tickets and to safeguard assets by establishing accountability and reconciling balances timely. In addition, adequate internal controls would ensure that the university collects revenues sufficient to cover corresponding expenditures. Through discussions with agency personnel and review of agency records, the following matters were disclosed:

1. Approximately 22,400 tickets were issued to corporate sponsors, 9,480 to booster groups, and 1,550 to car dealers. Management was unable to provide a detailed listing, in a timely manner, of exactly who received these tickets. In relation to the majority of the tickets issued, university personnel informed us that

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

contributions are made to the athletic foundation, a nonprofit organization; therefore, these funds were not deposited in university accounts.

2. Management was also unable to provide detailed listings of who the remaining complimentary tickets (approximately 22,500) were issued to nor could they provide documentation to support that these complimentary tickets were issued in compliance with the University of Louisiana System complimentary ticket policy.

3. The total number of complimentary tickets exceeded the number of tickets sold for these sporting events during the year.

These conditions exist because management has not placed considerable emphasis on accountability, control, and safeguarding of all assets. As a result of the university not adequately controlling complimentary tickets, the university lost the opportunity to receive revenue from the sale of these tickets that is needed since the athletic programs are currently reporting a deficit in excess of $500,000.

Northeast Louisiana University should review the policies and procedures in place relating to complimentary tickets and establish the necessary controls to provide accountability and to reduce the risk of additional losses. In a letter dated November 13, 1997, Mr. Lawson L. Swearingen, Jr., President, stated that the university partially concurred with the finding. The university questions the inclusion of approximately 22,500 complimentary tickets that it believes were issued in accordance with the University of Louisiana System policy. The university further provides that approximately 33,500 complimentary tickets were given to the athletic foundation and corporate sponsors, and in return the university received $420,000 in revenue to the athletic department. Finally, management stated that it would immediately initiate procedures to maximize accountability, control, and safeguarding of assets. See management's response at B-114.

Additional Comments: The university did not provide adequate documentation to support the issuance of 22,500 complimentary tickets in accordance with system policy. Even though the university received the sum of $420,000 from the athletic foundation, there was not adequate documentation to show that those funds were directly associated with the 33,500 complimentary tickets issued to the foundation and corporate sponsors. In addition, the athletic foundation is a nonprofit organization established to support the university and by its very nature would provide funding to the university. Finally, the issuing of complimentary tickets may be a violation of Article VII, Section 14 of the Louisiana Constitution of 1974, which provides that things of value may not be given by a state agency to anyone, either public or private.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

NORTHWESTERN STATE UNIVERSITY

Electronic Data Processing Control Weaknesses

For the second consecutive audit, Northwestern State University has deficiencies relating to access to its electronic data processing (EDP) system and data files. An adequate internal control structure requires that individuals be permitted access only to the data files and programs necessary to perform their duties. Duties should be segregated so that no one employee is in a position to both initiate and conceal errors or irregularities. During our review of the EDP controls, we noted the following types of control deficiencies that were identified in the last audit and still have not been resolved:

- The Director of Student Financial Aid has write access to data files that is incompatible with his job responsibilities.

- Eleven of 22 employees tested had access to the system from 2 to 39 days after they were terminated or transferred.

- Two employees went on extended leave until their effective dates of resignation. Access to the system was not denied these two employees until their effective dates of resignation, which allowed them to have access to the system, and data files for 11 and 26 days while they were on leave before their resignation.

Management feels that since the Director of Student Financial Aid works directly with students he should have write access to the data files. The personnel department failed to notify the Security Administrator in a timely manner of employees that were terminating as required by university policy. Furthermore, the policy does not address who is required to notify the Security Administrator when an employee is going on leave before termination or transfer. Inadequate segregation of duties and failure to restrict access to the system in a timely manner places the information in the system at risk of unauthorized access and/or the alteration of information that may not be detected in a timely manner, if at all.

Management of Northwestern State University should review the security reports periodically to ensure that access is compatible with job responsibilities and that access is being denied promptly upon separation from the university. Furthermore, management should amend its current policy to ensure that it addresses who is responsible for notifying the Security Administrator when an employee is going on leave before actual termination or transfer. In a letter dated May 15, 1997, Dr. Randall J. Webb, President, stated he concurred with the portion of the finding concerning employees having access to the system after they were terminated or transferred or went on extended leave until their effective dates of resignation. On May 8, 1997, the university revised its policy to require the budget unit head/supervisor to notify Business Affairs and the Computer Center Director immediately after the employee officially advises the university that he will leave. However, the university believes it is necessary for the Director of Student Financial Aid to have write access to data files even though he works directly with

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

students. The university is currently reviewing its operations in the Financial Aid Office to determine if the director should continue to have write access. This evaluation will be completed before July 1, 1997. See management's response at B-116.

Additional Comments: Our audit of the records in the Student Financial Aid Office disclosed several adjustments and/or changes to student records that were made by the director without the required supporting documentation. The entries made by the director increased the total cost of education for certain students, which allows those students to apply for and receive additional financial aid. Because the documentation was not available, we cannot determine whether the entries were appropriate. The entries appear to be questionable, and, in some cases, resulted in overawards or questioned costs as covered in a separate finding.

During our exit conference held on October 21, 1997, we were informed by management that the Director of Student Financial Aid had been restricted to read access only, effective July 1, 1997.

PUBLIC SAFETY AND CORRECTIONS -
CORRECTIONS SERVICES, DEPARTMENT OF

Wardens of Louisiana State Penitentiary
and Dixon Correctional Institute
Do Not Live on Prison Grounds

For the second consecutive year, the wardens of Louisiana State Penitentiary (LSP) and Dixon Correctional Institute (DCI) do not reside at their respective institutions. It would be prudent for the department to employ the most effective methods relating to its housing and vehicle expenses and the on-site management of its correctional institutions by providing housing for the wardens of LSP and DCI at their respective institutions.

We have been informed that the current LSP warden does not reside at the institution because the warden's residence located at Angola has been seriously damaged. The LSP warden was appointed to that position on March 23, 1995, and was previously employed as the warden of DCI at Jackson, Louisiana. However, he continues to reside in a house at DCI, approximately 34 miles one way from LSP. As a result, the department is currently incurring additional commuting costs for him to travel back and forth from DCI to LSP.

In addition, the current DCI warden receives a housing and subsistence allowance totaling $9,620 per year, and the department is incurring additional commuting costs because he has been displaced by the LSP warden. The DCI warden resides in a private home approximately seven miles from the institution and, as a result, neither warden is on-site to address emergencies at their respective institutions.

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

The department should review the housing arrangements at LSP and DCI, and give consideration to providing housing to the wardens at their respective institutions to provide for immediate on-site availability. In a letter dated August 29, 1997, Mr. Bernard E. "Trey" Boudreaux, III, Undersecretary, stated, "In reference to your repeat finding regarding the wardens of Louisiana State Penitentiary (LSP) and Dixon Correctional Institute (DCI) not residing on prison grounds, the following information is provided. Warden Cain continues to utilize the warden's residence at DCI because the warden's residence at Louisiana State Penitentiary (LSP) is in a serious state of disrepair and is uninhabitable in its current state. If Warden Cain were to utilize another residence at LSP, it would displace another employee. This would not be in the best interest of the department due to the recruiting and retention problems with personnel at LSP, particularly in the medical services area.

"The limited amount of state-owned housing at DCI does not allow for housing assignments for senior level security staff to be on the grounds. Warden Cain's residing at DCI helps to alleviate this problem by being available for call to assist Warden LeBlanc in addressing potential security problems at DCI. This benefit far out weighs additional commuting costs that may be incurred.

"Additionally, the current warden at DCI, James M. LeBlanc, has a personal residence within approximately seven miles of the institution. This distance is not significantly greater than the state housing for the institution, which is approximately five miles from the prison grounds. Because of this, Warden LeBlanc's ability to respond to emergencies is not impaired and no significant additional commuting costs are incurred by his utilizing his private residence.

"Another factor is that Warden LeBlanc is currently detailed to the position at DCI while Secretary Stalder is in the Executive Loan Program. It would also be unfair to force him to vacate his personal residence in order to live in state housing that is not significantly closer than his personal residence while he is on detail and not permanently assigned. Issues of compensation are governed by Civil Service.

"For these reasons the department is meeting its needs in terms of on-site availability of management personnel at these two facilities. The current allocation of housing is efficiently addressing the broad spectrum of executive, security, medical, and maintenance staffing requirements." See management's response at B-139.

PUBLIC SAFETY AND CORRECTIONS -
PUBLIC SAFETY SERVICES, DEPARTMENT OF

Insufficient Controls Over Returned Checks

For the second consecutive year, the Department of Public Safety and Corrections - Public Safety Services has not maintained adequate internal controls over checks returned from the depository for nonsufficient funds (NSF). During the year ended June 30, 1997, 3,263 checks

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

totaling $703,025 were returned to the department for NSF. Replacement funds totaling $441,032 were received for 2,016 checks that were returned in the current and prior years. At June 30, 1997, the department records reflect $996,451 of accounts receivable from NSF checks. This amount represents an increase of $261,994 or 26 percent over the amount receivable at June 30, 1996. Failure of the department to maintain internal controls over NSF checks has resulted in uncollected license fees, tax revenues, and interest income to the state, as well as to local parishes and municipalities.

Management should develop internal controls over returned checks as follows:

- The records of individuals or entities that have paid with an NSF check should be designated in the department's data system to prevent processing of future transactions until replacement funds are received.
- Entities who register vehicles for customers should be placed on a "certified funds only" basis if replacement funds are not received in a timely manner.
- An alphabetized "certified funds only" listing should be maintained, updated monthly, and provided to all offices within the department.
- Documentation should be maintained for all checks forwarded to the Department of Revenue for collection. Copies of the replacement checks should be placed in the related files.

In a letter dated November 10, 1997, Mr. Thomas H. Normile, Undersecretary, stated that Act 1455 of the 1997 Regular Session now allows the department to cancel an individual's driving and vehicle registration if paid for with an NSF check. Along with the normal NSF check fee, an additional $60 will be charged for reinstatement. Mr. Normile also stated that title companies are now required to post a bond with the department and they are put on a certified funds list until their NSF checks are paid. In addition, procedures will be implemented so that copies of documents submitted to the Department of Revenue are kept. See management's response at B-141.

REVENUE, DEPARTMENT OF

Untimely Reconciliation of Protested Taxes

For the second consecutive year, the Department of Revenue has not fully implemented adequate internal control procedures to ensure that a proper periodic reconciliation of the Protested Taxes - Escrow Account is performed. A good system of internal control should provide the department with procedures to properly reconcile the escrow fund so that any errors and/or irregularities can be detected and corrected timely. The department has taken action to strengthen the controls and expand the reconciliation procedures over the protested tax

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

account; however, the department's divisions have been reluctant to accept responsibility for properly reconciling the computer system records with the manual records maintained by the divisions. During the year ended June 30, 1997:

1. The tax divisions failed to follow up with the legal division when funds had been in escrow for more than 60 days.

2. There were no written procedures to ensure that non-system (manually maintained) taxes were removed from escrow when a lawsuit had not been filed timely.

3. The tax divisions certified as correct escrow account balances that contained errors.

4. There was no periodic reconciliation of the legal division's inventory of cases with the escrow listing.

The department's failure to properly reconcile the protested tax account on a periodic basis increases the risk that the department's financial statements could be misleading to those individuals and organizations that rely on the statements.

The Department of Revenue's Protested Taxes - Escrow Account has assets in excess of $215,000,000 and additions of more than $78,000,000 as of and for the year ended June 30, 1997.

The department should implement adequate internal control procedures to ensure that a proper periodic reconciliation of the Protested Taxes - Escrow Account is performed. In a letter dated September 17, 1997, Mr. John Kennedy, Secretary, stated that the department is continuing to review policies and procedures to make further improvements and the current redesign project will include improvements in the system of accounting for escrow funds (B-142).

RISK MANAGEMENT, OFFICE OF

Internal Control Deficiencies Related to Claim Payments

For the second consecutive year, ORM has not exercised adequate controls over claims-related payments. Good internal controls should provide for adequate segregation of duties to safeguard assets, to ensure that accounting data are both accurate and reliable, and to ensure that errors and/or fraud are detected in a timely manner. In addition, EDP controls are necessary to preserve the system's integrity and to provide reliance on the results produced by

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

the system. During the year ended June 30, 1997, the office processed approximately $146 million in claims and related contractual payments. In our consideration of the internal controls, we noted the following weaknesses:

- In a test of 24 users of ORM's outside data service center (Corporate Systems), we noted two employees who have EDP access that allows writing recurring checks with no dollar limit and no supervisory review.

- ORM does not have adequate documentation to evaluate users' access in Corporate Systems. We noted the following inaccuracies in security reports showing the name of system users and their capability to increase reserves and make payments:

    - Forty-eight current users were omitted from one report.

    - Twenty former users were still on another report.

    - In some instances, reports showed two varying interpretations of user capability for a single adjuster.

  Although procedures for reviewing user access, as well as for adding, changing, and deleting user access, are complicated and include the use of several reports, these procedures are not documented. Authorization for some user access is also not documented nor are policies for clerical limits on increasing reserves and making payments in the system.

- Improper data fields were used for reserve input in error. Unused fields should be restricted from input by Corporate Systems.

- For 11 of 16 claims payments tested, it was impossible to discern who increased payment reserves for a total of $10,400,000. Employees did not follow the ORM policy of denoting the person who adjusts reserves for future payments.

- In two observations of the check-write procedures, we found no evidence of supervisor review of portions of the payment forecast, as required by ORM policy. These portions of the forecast accounted for payments of $267,000.

Failure to develop and implement adequate controls over claims and related contractual payments may result in errors and/or fraud that are not detected in a timely manner.

Management should provide for adequate segregation of duties to safeguard assets, to ensure that accounting data are both accurate and reliable, and to ensure that errors and/or fraud are being detected in a timely manner, including procedures to strengthen the integrity of EDP functions. In a memorandum dated October 17, 1997, Mr. Seth E. Keener, Jr., State Risk

Schedule B

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

Director, concurred with the finding and recommendation and outlined a plan of corrective action (B-143).

Lack of Review of Original Documentation

For the fourth consecutive year, ORM is not performing, on a sample basis, a field review of the original source documentation to support billings by contract attorneys. We noted that for fiscal year 1997, contract attorneys were compensated and/or reimbursed approximately $10.7 million for expenses that included legal services and other expenses such as telephone, copying charges, postage, et cetera. In support of expenses, it is a practice of ORM to accept from attorneys, copies of receipts and summaries of time worked for legal services substantiated by an affidavit. Claim adjusters then perform desk reviews of these copies of supporting documents using the contract and ORM's billing guidelines as the criteria for review.

A field review of original source documentation has not been conducted since 1990. Considering the magnitude of payments to contract attorneys each year, adequate internal controls would require that ORM perform a field review, on a sample basis, of original source documentation to ensure that billings are accurate and expenses are allowable.

ORM should conduct field reviews on a sample basis of original source documentation maintained by the contract attorneys to ensure that ORM is being properly billed. In a memorandum dated September 15, 1997, Ms. Evon L. Wise, State Risk Assistant Director, concurred with the finding and recommendation. She further stated that ORM plans to use the internal audit position that was approved for the fiscal year ending June 30, 1998, to randomly review billings. See management's response at B-145.

SOUTHERN UNIVERSITY AND A&M COLLEGE
(BATON ROUGE)

Lack of Controls Over Football Ticket Revenue

For the second consecutive year, Southern University and A&M College (Baton Rouge) did not maintain adequate controls in the athletic ticket office over the distribution and the receipt of revenue for football game tickets. Good internal controls require accountability for all tickets printed, issued, voided, or unused; the maintenance of complete and orderly records; accurate reconciliation of revenue generated from ticket sales; proper segregation of duties in the ticket office; proper supervision of the ticket manager and staff; and timely deposit of ticket revenue.

A report, dated June 23, 1997, issued by the Southern University internal auditor, revealed inadequate internal controls over the sale of football tickets and the athletic ticket office change fund. The report revealed that there were shortages of $425 in the athletic ticket office change fund; $11,664 in Bayou Classic football game revenue; $1,480 in Texas Southern football game revenue; and $6,281 in football season ticket revenues. In addition, the university could not

account for $3,588 of complimentary tickets for the Bayou Classic football game. The report indicates that someone in the ticket office deliberately attempted to cover and conceal shortages in ticket sales totaling $23,438. The lack of control over the accounting for tickets and ticket sales and an inadequate segregation of duties within the ticket office contributed to the shortages.

Because of the deficiencies in the internal controls of the ticket office, the university suffered a loss in revenue, and there is increased risk that future shortages could occur and not be detected timely.

The university should maintain complete and accurate records over football ticket sales and reconcile the ticket office change fund on a regular basis. In addition, it should adequately segregate the duties performed in the ticket office so that no one person is responsible for selling tickets, depositing ticket revenue, and accounting for all tickets printed, sold, voided, or unused. In a letter dated December 5, 1997, Dr. Leon R. Tarver, II, President of the Southern University System, generally concurred with the finding and stated that action has been taken to strengthen internal controls in this area. The ticket manager has been terminated; a new ticket manager has been hired; and an accounting specialist will be hired for the Athletic Department to monitor ticket sales activity and review the work of the ticket manager. The former ticket manager has been arrested, and the files have been transmitted to the district attorney for appropriate action. See management's response at B-161.

Lack of Food Service Contracts

For the second consecutive year, Southern University and A&M College (Baton Rouge) did not have signed contracts with two vendors that operated food outlets in the food court. Good internal controls and business practices require that the university and the vendor providing the food services agree to terms and conditions and put them in the form of a contract, which is signed by both parties. In addition, one vendor has not remitted commissions on a timely basis. As of June 30, 1997, this vendor reported annual sales of approximately $74,466 and still owes the university approximately $7,657 for eight months of sales. While the other vendor does not have a contract either, the vendor is remitting a report each month along with its commission check.

When the contract expired with the company responsible for managing the food court, the university allowed these two vendors to continue operations without a signed contract. The lack of signed contracts and proper monitoring of vendor receipts increase the risk that revenue will be lost from the renting of space in the food court.

The university should ensure that contracts are approved and signed for all vendors providing food services in the food court before allowing them to provide services. The university should also establish adequate internal control monitoring procedures to ensure that amounts due the university are computed accurately, received promptly, and recorded and deposited on a timely basis. In a letter dated December 5, 1997, Dr. Leon R. Tarver, II, President of the Southern

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

University System, concurred with the finding and recommendation. The letting of a new food service contract is currently on hold and is under review by the Nineteenth Judicial District Court. In the interim, the university's food service program is operating under an emergency declaration. The food court vendor, whose commissions are current, will be allowed to continue operations until June 30, 1998; however, the university has instructed its attorney to secure a letter of agreement from that vendor. Food court operations of the contractor delinquent in his payments have been discontinued until the commissions have been paid. The university has submitted a proposed settlement offer to this vendor and is awaiting a written response to the proposal. See management's response at B-165.

SOUTHERN UNIVERSITY AT NEW ORLEANS

Lack of Controls Over Cash

For the second consecutive year, Southern University at New Orleans has not maintained adequate internal controls over cash. A good internal control system requires that the university establish procedures to properly safeguard its assets and segregate duties to ensure that one person is not in the position to both initiate and conceal errors or fraud. Good internal controls also require that amounts deposited and recorded be reconciled to underlying receipt documentation and that cash receipts be recorded in the general ledger on a timely basis.

During our examination of twelve Pay-in-Vouchers (PIVs), totaling $97,289, we noted the following internal control weaknesses:

- For four PIVs tested, the same employee who had access to the cash deposit and supporting receipts also prepared the PIV and approved the batches to record the cash receipts in the general ledger.
- For six PIVs tested, the same employee entered and approved the batches to record cash receipts in the general ledger. Also, in one of these instances, the same employee had access to the cash deposit and supporting receipts and prepared the PIV.
- All twelve PIVs tested were recorded in the general ledger from 7 to 19 days after the date of receipt.
- There is no reconciliation of the amounts deposited per the PIV or the amounts recorded in the ledger to the cash receipt summary report to ensure that there has been a proper accounting for all cash receipts.
- Cashiers have the ability to void cash receipts without supervisory approval.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Continued)

In addition, the university's comptroller detected a theft of $1,137 from the university's change suspense fund. The theft was discovered through a surprise count of cash on hand and a subsequent reconciliation to the general ledger balance.

Inadequate controls over cash accounts and cash receipts and an inadequate segregation of duties increase the risk that errors and/or fraud could occur and not be detected in a timely manner.

The university should establish internal control procedures over cash receipts to include an adequate segregation of duties, a reconciliation of amounts deposited to the underlying receipt documentation, and the timely recording of cash receipt transactions. The university should also implement procedures to ensure that its cash accounts are monitored properly to guard against theft or misuse. In a letter dated December 5, 1997, Dr. Leon R. Tarver, II, President of the Southern University System, concurred with the finding and recommendation. Steps have been taken to (1) post cash receipts timely, (2) reconcile amounts deposited to the underlying receipt documentation, and (3) reassign staff duties in the comptroller's office to improve internal controls over cash. These steps became effective October 6, 1997. A former accountant has been arrested and charged with theft, and the case has been forwarded to the district attorney for appropriate action. See management's response at B-172.

STATE EMPLOYEES GROUP BENEFITS PROGRAM

Electronic Data Processing Control Weaknesses

The State Employees Group Benefits Program did not establish an adequate internal control structure relating to electronic data processing (EDP) controls, which could affect the integrity of programs, processing, and data. General EDP controls are part of the control environment as well as control procedures over (1) application program development and maintenance, (2) logical access to program and data, (3) computer operations, and (4) segregation of incompatible duties. Good general EDP controls are necessary to preserve the integrity of the system and to provide reliance on the results produced by the system. Application EDP controls are also part of the control environment as well as control procedures over input, processing, and output of data. Good application EDP controls are necessary to ensure that the processing of transactions and financial information is performed according to management's design and intent.

Annually, the program's Information Services Division processes information relating to approximately $224 million of claims expenditures, as well as various other transactions. Control deficiencies relating to system development, system changes, computer operations, and segregation of duties were observed during our review of general EDP controls. Control deficiencies relating to input, processing, output controls, documentation, and clearly defined responsibilities for establishing and monitoring controls were observed during our review of application EDP controls. These deficiencies could affect the integrity of programs, processing,

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Financial Statement Findings (Concluded)

and data. As a result, a general risk exists that programs and data could be accessed and modified without proper authorization, review, and approval.

The State Employees Group Benefits Program should establish an adequate internal control structure relating to EDP controls to ensure the integrity of programs, processing, and data. In a letter dated November 13, 1997, Mr. James R. Plaisance, Executive Director, concurred with the finding and stated that the program will evaluate the various components of the finding and determine the cost effectiveness of implementing appropriate controls (B-187).

UNIVERSITY OF NEW ORLEANS

Inadequate Controls Over Receivables

For the fifth consecutive year, the University of New Orleans has a large volume of outstanding receivables, which comprises mostly student tuition and fees. At June 30, 1997, there are $300,556 of receivables that are between 91 days and 360 days delinquent and another $625,855 of receivables that are more than 361 days delinquent. Deferring tuition and fees for students who have not completed the financial aid process and the lack of a cutoff in receiving financial aid data contributed to a substantial portion of the delinquent receivables. When a student is determined to be ineligible for financial aid or the student drops out, it is often difficult to collect delinquent accounts from students or former students. Management is responsible for maintaining a system of controls and establishing prudent policies that enhance the collection of earned resources. Failure to provide such systems and policies may result in the loss of resources.

The University of New Orleans should continue to review the age and collectibility of all receivables on an ongoing basis, monitor deferments given students, and encourage early student financial aid applications by implementing cutoff dates. In a letter dated September 4, 1997, Ms. Linda K. Robison, Vice Chancellor for Financial Services, Comptroller and Chief Financial Officer, stated that management of the university concurred with the finding and has implemented more stringent policies on financial aid deferments and continued aggressive collection efforts should ultimately resolve this long-term finding (B-188).

Schedule C

Federal Award Findings and Questioned Costs For the Year Ended June 30, 1997

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Federal Award Findings and Questioned Costs
For the Year Ended June 30, 1997

U.S. DEPARTMENT OF AGRICULTURE

COMPLIANCE

HEALTH AND HOSPITALS, DEPARTMENT OF

F-97-AG-DHH-1 - Audits of Federal Subrecipients and State Contractors Not Obtained

	Questioned Costs
10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children	**$0**
10.565 - Commodity Supplemental Food Program	
93.196 - Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities	
93.268 - Childhood Immunization Grants	
93.630 - Developmental Disabilities Basic Support *and Advocacy Grants*	
93.917 - HIV Care Formula Grants	
93.940 - HIV Prevention Activities - Health Department Based	
93.944 - *Human Immunodeficiency Virus (HIV)/Acquired* Immunodeficiency Virus Syndrome (AIDS) Surveillance	
93.958 - Block Grants for Community Mental Health Services	
93.959 - Block Grants for Prevention and Treatment of Substance Abuse	
93.991 - Preventive Health and Health Services Block Grant	
93.994 - Maternal and Child Health Services Block Grant to the States	
Medicaid Cluster:	
93.778 - *Medical Assistance Program*	

For the second consecutive year, the Department of Health and Hospitals (DHH) failed to adhere to federal requirements and departmental policies that require audits of subrecipients and social services contractors. The Single Audit Act of 1984 (Public Law 98-502), as amended by the Single Audit Act Amendments of 1996 (Public Law 104-156), requires the department to ensure that each subrecipient of federal pass-through funds totaling $300,000 or more has an annual audit in accordance with Office of Management and Budget Circular A-133. In addition, departmental policy requires that (1) all subrecipients who receive between $25,000 and $300,000 and (2) all state/local governments and corporations (profit/non-profit) other than subrecipients that have a social services contract with DHH and receive $100,000 or more in

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

funds from one or more state contracts must have a financial and compliance audit performed in accordance with *Government Auditing Standards*.

During the fiscal year ended June 30, 1996, the department developed a comprehensive monitoring system to track contracts that require audits and to monitor the receipt of audit reports and the resolution of any findings. In addition, policy numbers 3175-95 and 3105-96 were issued defining responsibility in the department for audit report monitoring and defining federal and departmental audit requirements.

Our review of the monitoring system disclosed the following:

1. Fifteen of the 153 contracts that required audits for the fiscal year ended June 30, 1996, were not submitted by June 30, 1997, although they were due by December 31, 1996. Total expenditures for these contracts were $2,947,083.

2. Twenty-seven of the 138 audits performed for the fiscal year ended June 30, 1996, had unresolved audit findings at June 30, 1997. Total expenditures for these contracts were $3,784,426.

3. During our audit of the fiscal year ending June 30, 1996, we found and reported that 92 of the 251 contracts that required audits for the fiscal year ended June 30, 1995, were not submitted by June 30, 1996, although they were due by December 31, 1995. As of June 30, 1997, audit reports for 63 of the contracts still had not been received. Total expenditures for these contracts were $7,013,528.

4. During our audit of the fiscal year ending June 30, 1996, we found and reported that 32 of the 159 audits performed for the fiscal year ended June 30, 1995, had unresolved audit findings at June 30, 1996. At June 30, 1997, the department still had not resolved the audit findings on 22 of these contracts. Total expenditures for these 22 contracts were $2,135,614.

These results indicate that employees are not following the established procedures for reporting audit information to the contracts management section, for ensuring that required audits are performed, and for ensuring that all findings are reviewed for subsequent resolution in a timely manner.

Failure to ensure that federal subrecipients or state contractors receive the required audits and failure to promptly follow up on reported findings increase the risk that federal and/or state funds will not be expended in accordance with applicable laws and regulations.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

DHH should make employees aware of the importance of following departmental policies regarding audit requirements to ensure that federal subrecipients and social services contractors are audited as required by applicable laws and regulations and that all findings are reviewed for subsequent resolution in a timely manner. In a letter dated October 7, 1997, Mr. David W. Hood, Undersecretary, concurred with the finding and recommendation. Mr. Hood stated that he has written a letter to all assistant secretaries, bureau chiefs within the Office of the Secretary, and division directors within the Office of Management and Finance directing them to take whatever action is necessary to ensure compliance with the department's policies. Mr. Hood also said that the contract review committee has recommended that the department not review or initiate new contracts with contractors that are not in compliance with department policies and that Mr. Bobby Jindal, Secretary, has approved implementation of this recommendation. See management's response at B-25.

PUBLIC HEALTH, OFFICE OF

F-97-AG-OPH-1 - Reconciliation of Food Instruments Not Performed Within 150 Days

	Questioned Costs
10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children	**$0**

For the fourth consecutive year, the Office of Public Health (OPH) has not been able to perform a reconciliation of each food instrument issued with food instruments redeemed for the Special Supplemental Food Program for Women, Infants, and Children (CFDA 10.557, WIC) within the required 150 days. The Code of Federal Regulations [7 CFR 246.12(n)] requires the state agency to identify disposition of all food instruments by performing a reconciliation of each food instrument issued with food instruments redeemed within 150 days of the first valid date for participant use.

Because of a problem with the loading of data from the food instruments issue sites to the mainframe and a computer software glitch, there are 18,365 unmatched instruments at June 30, 1997. Included in the 18,365 unmatched records are 3,771 food instruments, totaling approximately $132,000, that are not reconciled within 150 days of the first valid date for participant use. This is a considerable improvement from unmatched records as of May 31, 1996, totaling 186,168. By not identifying the disposition of food instruments within 150 days of the instrument's validation date, lost, stolen, or expired instruments could be cashed and not detected in a timely manner. Also, the Code of Federal Regulations [7 CFR 246.23(a) (4)] states that the Food and Nutrition Service of the U.S. Department of Agriculture could issue a claim against OPH for its unreconciled instruments.

OPH should work diligently with the food instruments issue sites to ensure that the required data from the issue sites are uploaded to the mainframe in a timely manner. Until this problem is resolved, the reconciliation of food instruments issued with food instruments redeemed cannot

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

be completed within the required 150 days. In a letter dated September 17, 1997, Mr. Joseph D. Kimbrell, Deputy Assistant Secretary, Office of Public Health, concurred with our finding and outlined corrective action that has been taken to resolve the problem. Mr. Kimbrell reported that since the new procedure has been implemented, the drafts unreconciled have declined from 3,771 to 800. See management's response at B-135.

SOCIAL SERVICES, DEPARTMENT OF

F-97-AG-DSS-1 - Audit Reports Not Monitored

	Questioned Costs
93.658 - Foster Care - Title IV-E	**$0**
Food Stamp Cluster:	
10.561 - State Administrative Matching Grants for Food Stamp Program	

For the fourth consecutive year, the Department of Social Services does not have an adequate monitoring system to ensure that all subrecipients expending $300,000 or more in federal funds and cost-reimbursement contractors funded with $100,000 or more of state funds are audited in accordance with *Government Auditing Standards*. Federal regulations [Office of Management and Budget (OMB) Circular A-133] require the department to ensure that each subrecipient expending federal pass-through funds totaling $300,000 or more has an audit performed that will comply with this circular. Louisiana Administrative Code 34:V:134 gives the department the option of requiring audits, examining source documents for each payment request, or using internal auditors to do frequent surprise contract compliance audits of contractors that receive $100,000 or more in state funds. The department has elected to require audits.

While monitoring procedures have been developed, the department has not implemented the system to ensure that all required audits are received. Failure to ensure that federal subrecipients or cost-reimbursement contractors are audited in accordance with *Government Auditing Standards* increases the risk that federal subrecipients or cost-reimbursement contractors will not expend federal financial assistance or state funds, respectively, in accordance with applicable laws and regulations.

The Department of Social Services should ensure that federal subrecipients and cost-reimbursement contractors are audited as required by federal and state laws and regulations. In a letter dated January 5, 1998, Mr. Thomas Joseph, Director of the Division of Fiscal Services, stated that the department does not agree with the finding (B-149).

Additional Comments: Mr. Joseph's letter refers to this matter as ". . . a non-finding and a moot point . . ." and he does not present a corrective action plan as required by OMB Circular A-133. Furthermore, we have correspondence from the department acknowledging that the prior year (1996) finding concerning this matter had not been resolved as of June 30, 1997.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

F-97-AG-DSS-2 - Failure to Perform Cost Allocation Samples Timely

	Questioned Costs
93.558 - Temporary Assistance for Needy Families	**$0**
93.560 - *Family Support* Payments to States - Assistance Payments	
93.658 - Foster Care - Title IV-E	
93.667 - Social Services Block Grant	
Food Stamp Cluster:	
***10.561* - *State Administrative Matching Grants for* Food Stamp Program**	

The Department of Social Services did not always ensure that the random moment sampling (RMS) process was conducted timely. 45 CFR Part 95, Subpart E and OMB Circular A-87 require the department to prepare, obtain federal approval for, and follow a plan for the allocation of indirect costs to the federal programs administered by the department. The approved plan designates RMS for the allocation of personnel costs to the Office of Family Support (OFS) and the Office of Community Services (OCS). Our audit tests revealed that the designated observer did not conduct the random moment sample at the scheduled time for 7 percent (1 of 14) of the observed samples for OFS and 78 percent (7 of 9) of the observed samples for OCS. The cost allocation plan also requires the department to perform a random monitoring observation of the RMS process for each location at least once per quarter to assure compliance with prescribed procedures. Twenty-two percent (2 of 9) of the monitoring reports requested were not performed. Failure to follow the internal control procedures designed to encourage and ensure compliance with prescribed procedures may contribute to the high rate of noncompliance. These deviations in prescribed procedures could result in developing inaccurate random moment statistics for the allocation of approximately $178 million in personnel costs to the following major federal programs administered by OFS and OCS:

- CFDA 10.561 - State Administrative Matching Grants for Food Stamp Program
- CFDA 93.558 - Temporary Assistance for Needy Families
- CFDA 93.560 - Family Support Payments to States - Assistance Payments
- CFDA 93.658 - Foster Care - Title IV-E
- CFDA 93.667 - Social Services Block Grant

The Department of Social Services should ensure that coordinators and observers adhere to the prescribed procedures for conducting and monitoring the random moment sampling process as required by the department's cost allocation plan. In a letter dated December 29, 1997, Ms. Brenda L. Kelley, Deputy Assistant Secretary on behalf of Ms. Shirley B. Goodwin, Assistant Secretary of the Office of Community Services, concurred with the finding and outlined

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

a plan of corrective action. An additional letter dated December 22, 1997, from Mr. Thomas Joseph, Director of the Division of Fiscal Services, stated that Ms. Vera Blakes, Assistant Secretary of the Office of Family Services, has directed her lead management staff to address the weaknesses noted. See management's response at B-153.

INTERNAL CONTROL OVER COMPLIANCE

LOUISIANA SCHOOL FOR THE DEAF

F-97-AG-LSD-1 - Internal Controls Over Meal Counts

	Questioned Costs
Nutrition Cluster:	**$0**
10.553 - School Breakfast Program	
10.555 - National School Lunch Program	

The Louisiana School for the Deaf (LSD) does not have adequate internal controls for counting, reconciling, and reporting the number of meals claimed for cost reimbursement under the School Breakfast Program (CFDA 10.553) and the National School Lunch Program (CFDA 10.555). The Code of Federal Regulations (7 CFR 210.8) requires internal controls that ensure accurate lunch counts before submitting claims for reimbursement. Good internal controls and LSD's agreement with the State Department of Education (SDE) require accurate counts of meals at the point of service, control counts of used plates that are reconciled to the primary counts, accurate claim reimbursement reports, and an accountable manual back-up system for electronic systems. LSD uses an electronic card scanner as its primary point of service count of children served and eligible for free and reduced meals and conducts a physical count of plates to verify the scanner's count.

We examined supporting documentation for 68 meal counts and observed that scanner and plate counts did not support reimbursement claims submitted to SDE as follows:

- For 24 (35 percent) of the meal counts tested, claims for reimbursement for free meals were estimated using plate counts when data from scanners was either lost, incomplete, or inaccurate. In addition, there was no back-up system in place to provide an accurate count of meals served and to identify the children whose meals were claimed for reimbursement when the electronic scanner failed.

- For 18 (26 percent) of the meal counts tested, claims for reimbursement for free meals were based on scanner counts that differed with plate counts, and there was no evidence that variances were investigated and reconciled.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

- For 22 (32 percent) of the meal counts tested, claims for reimbursement for free meals were based on scanner counts that were adjusted for differences with plate counts; however, there was no evidence that variances had been investigated and reconciled and that adjustments were proper.

Inaccurate meal counts were caused by employee error and scanner failure. As a result, the lack of internal controls places management in noncompliance with the agreement for the School Breakfast and National School Lunch programs.

LSD should establish and implement internal control policies and procedures to provide accurate and complete meal counts, investigate and reconcile scanner and plate count variances, report reconciled meal information on its claims for reimbursement, and provide a back-up system in the event the electronic system fails. In addition, management should emphasize to its employees the importance of accurate meal counts and records. Management may want to investigate alternative procedures to accurately capture meal count data. Management concurred in part and outlined procedures to facilitate the daily reconciliations and more closely monitor meal counts. In a letter dated April 17, 1997, Mr. Luther B. Prickett, Superintendent, concurred in part with the finding and recommendation and stated that difficulties were encountered in the implementation of a new custom designed automated meal accountability software program and installation of a network system. Management currently feels that the equipment and software provide a stable and reliable meal accountability system. Furthermore, backup procedures have been and will be employed to ensure accurate meal counts if the electronic system should fail. See management's response at B-78.

PUBLIC HEALTH, OFFICE OF

F-97-AG-OPH-2 - Untimely Billing of Infant Formula Rebates

	Questioned Costs
10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children	**$0**

OPH failed to bill infant formula manufacturers timely for rebates covering all infant formula used in the Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA 10.557, WIC). According to competitive rebate contracts between OPH and the infant formula companies, OPH is to receive rebates for infant formula used in the WIC program. Rebates reduce food cost and enables WIC to reach more participants with a given amount of funds.

The Child Nutrition and WIC Reauthorization Act of 1989 (Public Law 101-147) requires WIC state agencies to implement cost containment initiatives. Also, OMB Circular A-87, Attachment A (C)(1)(i) states that program cost must be net of applicable credits. OPH overlooked billing Ross Products Division for infant formula used in the gray or partial food packages for the period October 1994 through December 1996. On August 20, 1997, OPH billed Ross Products Division for infant formula rebates, totaling $2,023,803. In addition, rebates for infant formula in

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

partial food packages supplied by Mead Johnson & Company totaled $788,140 for the period October 1996 through June 1997.

Failure to bill for infant formula rebates timely can result in overclaims against the federal WIC grant and in cash management problems that could result in interest costs to the state, as well as the use of state funds to reimburse the federal grantor for the unbilled rebates.

OPH should implement the appropriate control procedures needed to ensure accurate and timely billing of all infant formula rebates and to ensure compliance with WIC and OMB allowable program cost. In a letter dated September 17, 1997, Mr. Joseph D. Kimbrell, Deputy Assistant Secretary, Office of Public Health, concurred with the finding and stated that new software has been developed and new procedures have been implemented to ensure timely billing. Mr. Kimbrell reported that OPH is now current in billing for the partial food packages. See management's response at B-136.

W. O. MOSS REGIONAL MEDICAL CENTER

F-97-AG-MOSS-1 - Inadequate Controls Over Food Instruments

	Questioned Costs
10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children	**$0**

Doctor Walter Olin Moss Regional Medical Center has not established adequate internal controls over the issuance of food instruments for the Special Supplemental Nutrition Program for Women, Infants, and Children (CFDA 10.557, WIC) program. The WIC program requires that an applicant be certified to be at nutritional risk by a competent professional authority and that food instruments be controlled.

The medical center's registered nurse certifies applicants and submits written orders for food instruments. A clerk enters the recipient's name and instrument codes into the computer, which results in the issuance of food instruments. However, we noted that there is no subsequent supervisory review to determine if the food instruments are being issued properly and in accordance with program requirements. Without adequate controls over the issuance of food instruments, the risk exists that federal funds could be misused, and errors and/or fraud could occur and not be detected in a timely manner.

Doctor Walter Olin Moss Regional Medical Center should establish adequate internal controls over the issuance of food instruments to provide for subsequent supervisory review of the issuance of the food instruments to determine if the instruments are being issued properly in accordance with program requirements. In a letter dated August 6, 1997, Dr. Patrick Robinson, Acting Hospital Director, stated that management concurred in part with the finding and the Health Care Services Division has issued a program memorandum establishing a method of internal control (B-190).

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

U.S. DEPARTMENT OF DEFENSE

COMPLIANCE

SUMMARY OF FINDINGS
FROM OTHER EXTERNAL AUDITORS
FOR THE YEAR ENDED JUNE 30, 1997

GRAMBLING STATE UNIVERSITY

Independent auditors performed an audit of Grambling State University's federal award programs for the year ended June 30, 1997, and have issued their report thereon dated October 22, 1997. The following finding was presented in their report:

F-97-DOD-GSU-1 - Theft of Stipend Checks

	Questioned Costs
N00014-94-1-1181 - Institute of Science for the Pursuit of Graduate Studies	**$2,280**

The auditors were informed by management of the university that a research assistant had stolen and negotiated 12 stipend checks payable to students. The university failed to void stipend checks made payable to students who had either graduated or discontinued participation in the program; consequently, grant funds were disbursed to an unauthorized individual. Before June 30, 1997, the university transferred the ineligible costs of $2,280 out of the U.S. Department of Defense grant.

OMB Circular A-133 and *Government Auditing Standards* prescribe certain reporting requirements if illegal acts have occurred.

The auditors recommend that the university take immediate action to refund the noted amount to the related federal program. Also, the auditors recommend that the university adhere to established procedures when processing stipend checks to either students or employees. See management's response at B-23.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

NATIONAL SCIENCE FOUNDATION

COMPLIANCE

SUMMARY OF FINDINGS
FROM OTHER EXTERNAL AUDITORS
FOR THE YEAR ENDED JUNE 30, 1997

GRAMBLING STATE UNIVERSITY

Independent auditors performed an audit of Grambling State University's federal award programs for the year ended June 30, 1997, and have issued their report thereon dated October 22, 1997. The following finding was presented in their report:

F-97-NSF-GSU-1 - Theft of Stipend Checks

	Questioned Costs
HRD-8917855 - Research Careers for Minority Scholars in Chemical Physics	**$1,942**

The auditors were informed by management of the university that a research assistant had stolen and negotiated 12 stipend checks payable to students. The university failed to void stipend checks made payable to students who had either graduated or discontinued participation in the program; consequently, grant funds were disbursed to an unauthorized individual. Before June 30, 1997, the university transferred the ineligible costs of $1,942 out of the National Science Foundation grant.

OMB Circular A-133 and *Government Auditing Standards* prescribe certain reporting requirements if illegal acts have occurred.

The auditors recommend that the university take immediate action to refund the noted amounts to the related federal program. Also, the auditors recommend that the university adhere to established procedures when processing stipend checks to either students or employees. See management's response at B-23.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

U.S. DEPARTMENT OF EDUCATION

COMPLIANCE

BOARD OF ELEMENTARY AND SECONDARY EDUCATION

F-97-ED-BESE-1 - Improper Payroll Records and Expenditures for Federal Grant Program

	Questioned Costs
84.048 - Vocational Education - Basic Grants to States	**$39,423**

The Board of Elementary and Secondary Education (board) does not maintain proper time distribution records for personal services charged to the Vocational Education - Basic Grants to States (CFDA 84.048) program. The board also spent $5,766 for costs related to the search for a new state superintendent of education that are not allowable expenditures of these funds. OMB Circular A-87 states that personal services for employees working on multiple activities be supported by time and attendance records based on actual time activity. It also states that general government expenditures are not allowable costs of federal programs. Regulations for the Vocational Education - Basic Grants to States program (Code of Federal Regulations 34:403.180) also do not permit funds to be used for general operating expenditures of the board.

Our test of transactions and records for the period July 1, 1995, to January 31, 1997, revealed the following:

- Four employees were paid $33,657 from grant funds based on estimated salary percentages instead of the actual time spent on program activity. The board does not require its employees to maintain time distribution records for amounts charged to the Vocational Education - Basic Grants to States.

- The board spent $5,766 for expenses incurred during the search for a new superintendent of education. These funds were not for the administration of the state plan for vocational education; therefore, we question the expenditures associated with filling the position of superintendent of education as an allowable expenditure of this program.

The board's staff indicated that it was not familiar with the federal requirements of the OMB regulations for time distribution records and Basic Grants to States for Vocational Education. As a result, the board has charged expenses to the grant that are not properly supported and that are not allowed.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

The board should develop appropriate time distribution records to support amounts for personal services charged to the federal program and should establish procedures to ensure program funds are used to administer the state plan for vocational education. The board should also contact the State Department of Education, the primary grantee, regarding the $39,423 of questioned costs. In a letter dated March 21, 1997, Ms. Weegie Peabody, Executive Director of the Board of Elementary and Secondary Education, stated that management agreed with the finding and recommendations and will take steps to implement time distribution records for the next payroll period. She also stated that charges for the search for the new superintendent should not have been charged to the federal program. In the future, financial staff will review expenses and verify compliance with grant regulations on an on-going basis. See management's response at B-5.

EDUCATION, DEPARTMENT OF

F-97-ED-EDUC-1 - Improper Administration of Joint Conferences

	Questioned Costs
84.027 - Special Education - Grants to States	**$13,845**

The State Department of Education (SDE) did not have adequate controls to ensure that conference expenditures and program income related to the Special Education - Grants to States (CFDA 84.027) program complied with applicable federal and state regulations. In addition, the department did not ensure that all employees complied with state regulations and departmental policies concerning the authority to sign contracts. The Code of Federal Regulations (34 CFR 80.25) provides that program income shall be used only for the purposes specified under the conditions of the grant agreement, and grantees are encouraged to earn program income to defray program costs. Also, the Louisiana Constitution of 1974, Article VII, Section 14(A) states in part that the funds, credit, property, or things of value of the state shall not be loaned, pledged, donated to or for any person, association, or corporation, public or private. In addition, the Louisiana Administrative Code requires the head of the using state agency or his designee to sign all contracts for personal, professional, consulting, or social services. The Superintendent of the SDE has not designated any other person to sign contracts on behalf of the department.

We reviewed two conferences that the department's Office of Special Education Services (OSES) co-sponsored during the 1997 fiscal year and noted the following:

Special Education Administrators' Conference

OSES co-sponsored a conference on July 16-19, 1996, with the Louisiana Association of Special Education Administrators (LASEA). No written agreement existed between the parties. OSES personnel planned and coordinated the program and agenda; reserved hotel rooms and arranged for the conference speakers; developed, printed, and mailed the registration forms and conference information; printed program handouts

for the training sessions; collected and recorded the conference registration fees; and performed various other administrative duties during the conference.

The department allowed LASEA to act as fiscal agent for the conference. OSES personnel collected registration fees (program income) totaling $21,375, and remitted all of these funds to LASEA for deposit. LASEA paid for conference expenses out of program income, but did not submit records to the department on expenses paid. At our request, the department contacted the LASEA treasurer and was informed that expenses for the conference totaled $13,091, resulting in net program income of $8,284. As of October 30, 1997, OSES had not received any program income from this conference. Also, no support for expenses was provided.

17TH Annual Super Conference on Special Education

OSES co-sponsored a conference on March 10-13, 1997, with the Louisiana Federation of the Council of Exceptional Children (LFCEC). The agreement for this conference, which was signed by the Assistant Superintendent of OSES, violates the state regulation and departmental policy that requires the Superintendent to sign all contracts, and also obligated the department without the Superintendent's knowledge. This agreement provided for a split of the program income--60 percent for OSES and 40 percent for LFCEC, which constitutes a donation of public funds. OSES personnel performed the same types of duties related to the conference mentioned in the Special Education Administrators' Conference section of this finding.

Gross revenues (program income) of $108,613 in registration fees, exhibitors' fees, and luncheon receipts were collected during the conference. Net program income, after expenses, from this conference totaled $50,932. Included in the conference expenses of $57,681 was an expenditure of $754 for entertainment, which is not allowed by OMB Circular A-87. The agreement with LFCEC provided that its treasurer act as fiscal agent for the conference. Following the conference, the LFCEC treasurer was to submit records of the conference to the department for a determination of the split of program income. However, records for the conference were not submitted until September 1997, approximately 6 months after the conference, and OSES has not received its contracted share of the program income ($30,560) as required by the agreement, as of October 30, 1997.

The department co-sponsored these conferences with LASEA and LFCEC because they have similar training objectives. However, the department neither has grants with these entities nor do these entities administer the Special Education - Grants to States program, which would allow them to use program income. Because the department allowed LASEA and LFCEC to retain all and/or part of the program income, this constitutes a donation of public funds. These conditions can be attributed to departmental personnel not being fully familiar with federal and state regulations; therefore, they have not implemented the controls necessary to ensure compliance with those regulations.

As a result, for the two conferences, we question $13,091 of undocumented expenses and $754 of entertainment expenses for a total of $13,845. Because the expenses were undocumented for the Special Education Administrators' Conference, the total program income of $21,375 should be returned to the department. The total net program income of $50,932 for the 17th Annual Super Conference should also be returned to the department because no provision for sharing is allowed.

The SDE should implement the necessary controls to ensure that any future conferences comply with federal and state regulations applicable to program income and allowable costs, including Article VII, Section 14(A) of the Louisiana Constitution of 1974. These controls would require the department, not the co-sponsoring entity, to maintain accurate and complete records. In addition, the department should seek recovery of gross program income from LASEA, or evidence of expenditures, and net program income from LFCEC. Also, the department should ensure that all personnel comply with state regulations and departmental policy regarding the signing of contracts. Finally, the department should confer with the U.S. Department of Education regarding the resolution of the questioned costs. In a letter dated December 1, 1997, Ms. Marlyn J. Langley, Deputy Superintendent of the Office of Management and Finance, concurred with the finding and outlined a plan of corrective action (B-8).

F-97-ED-EDUC-2 - Lease Payment Advanced Improperly

	Questioned Costs
84. 027 - Special Education - Grants to States	**$0**

For the second consecutive year, the SDE violated state and federal laws by paying the entire annual lease payment in the amount of $122,000 prior to services being rendered under the Special Education - Grants to States (CFDA 84.027) program, and did not obtain proper approval as required for the lease. Article VII, Section 14(A) of the Louisiana Constitution of 1974 states in part that the funds, credit, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, donated to or for any person, association, or corporation, public or private. In addition, Louisiana Revised Statute 39:11 requires that the Commissioner of Administration be a party to any leasing transaction involving the state. Finally, the Code of Federal Regulations [31 CFR 205.7(d)] states that a state and a federal agency shall limit the amount of funds transferred to a state to the minimum required to meet a state's actual, immediate cash needs.

The department entered into a cooperative interagency agreement with the Louisiana School for the Deaf (LSD) to provide office space for employees of the Office of Special Education Services for the period October 1, 1996, through September 30, 1997, without obtaining the Commissioner of Administration's approval on the agreement. The department did not adequately review the agreement and amend the clause that provided for payment of the entire annual lease amount on the first day of the lease. The department transferred the $122,000 annual lease amount on October 1, 1996, to LSD, following receipt of its invoice. After the department learned that the payment should not have been made in advance, it made several unsuccessful attempts to recover the unearned portion of the lease payment. By paying in

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

advance, the department risks losing a portion of the payment if the lease is not fulfilled to term; the state could incur an interest liability for drawing federal funds in excess of immediate cash needs; and the department did not comply with state and federal laws.

The department should strengthen its internal controls over lease payments to ensure that payments are properly approved, are made only for services rendered, and are in compliance with applicable state and federal laws. In a letter dated August 25, 1997, Ms. Marlyn J. Langley, Deputy Superintendent of the Office of Management and Finance, concurred with the finding and outlined a plan of corrective action (B-13).

F-97-ED-EDUC-3 - Unallowable Costs in Special Education Program

	Questioned Costs
84.027 - Special Education - Grants to States	**$319,321**

The SDE did not have adequate procedures to ensure that the department complied with the terms of its Louisiana Special Education State Plan funded by the Special Education - Grants to States (CFDA 84.027) program. The Code of Federal Regulations (34 CFR 80.11) requires the SDE to submit a state plan before receiving this grant and that the SDE amend the plan whenever necessary to reflect a material change.

The U.S. Department of Education approved the Louisiana Special Education State Plan for the fiscal years 1994-1996. This plan was subsequently extended through fiscal year 1998 without any amendments. However, our audit disclosed that program costs included expenditure charges for all or part of 14 employee positions not included in the original plan. Management did not anticipate that an amendment would be necessary. Therefore, we question the costs associated with these unapproved employees totaling $319,321, for the year ended June 30, 1997.

The SDE should develop and implement procedures to ensure the Special Education - Grants to States program is charged for only positions authorized in the Louisiana Special Education State Plan and that timely amendments are made to the state plan as required by law. In addition, the department should confer with the U.S. Department of Education regarding the resolution of the questioned costs. In a letter dated December 1, 1997, Ms. Marlyn J. Langley, Deputy Superintendent of the Office of Management and Finance, concurred with the finding and outlined a plan of corrective action (B-14).

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

NORTHWESTERN STATE UNIVERSITY

F-97-ED-NSU-1 - Satisfactory Academic Progress Standards Not Adequately Monitored

	Questioned Costs
Student Financial Assistance Cluster:	
84.007 - Federal Supplemental Educational Opportunity Grants	$400
84.032 - Federal Family Education Loans	41,274
84.038 - Federal Perkins Loan Program - Federal Capital Contributions	6,600
84.063 - Federal Pell Grant Program	12,609
	$60,883

For the second consecutive year, Northwestern State University did not consistently apply the standards of its Satisfactory Academic Progress (SAP) policy to all students. The Code of Federal Regulations [34 CFR 668.7(c) and 668.16(e)] requires the university to establish, publish, and apply reasonable standards for measuring whether an otherwise eligible student is maintaining satisfactory progress in his or her educational program. The university granted financial aid to 144 students that had met or exceeded their program hours. A test of 10 of the 144 students disclosed that 7 received $60,883 of Title IV financial aid without meeting established guidelines. We noted the following relating to these students:

- Four of the 7 students had in excess of 150 percent of the required program hours at the beginning of the fall 1996 semester.

- Six of the 7 students received financial aid for more than 14 semesters or 7 years which is in violation of the university's SAP policy.

- Five of the 7 students that received aid and did not meet the guidelines may have received a waiver from the guidelines had they gone through the proper appeal process. However, these 5 students did not file such an appeal. The two remaining students did file appeals; however, one was not submitted timely (30 days after the due date) and both were approved by the Student Financial Aid Director, which is not in accordance with university policy. Furthermore, the reasons given for these two waivers did not comply with university policy.

The $60,883 is questioned program costs from the Federal Pell Grant Program (CFDA 84.063), Federal Supplemental Educational Opportunity Grants Program (CFDA 84.007), Federal Perkins Loan Program - Federal Capital Contributions (CFDA 84.038), and Federal Family Education Loans Program (CFDA 84.032).

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

We also noted that the university still does not include all credit hours attempted when determining the overall grade point average for students receiving financial aid. Cumulative grade point averages do not include all repeat courses or transfer credits from other institutions.

The Vice President of Student Affairs made a management decision to allow these and other students that had exceeded their program hours to continue to receive aid for one more year. He felt that the university had not provided the students with sufficient official notice that their aid would be discontinued. As a result, the university is subject to disciplinary action by grantor agencies and may have deprived other eligible students from receiving financial aid.

The president of Northwestern State University should require members of management to strictly adhere to all aspects of the university's policy relating to Satisfactory Academic Progress policy and other federal rules and regulations governing this policy. In a letter dated June 13, 1997, Dr. Randall J. Webb, President, stated that he concurred with the part of the comment that the Financial Aid Office failed to adequately document special circumstances when determining if a student was making satisfactory progress. However, he did not concur with the opinion that all credit hours attempted should be included when determining the cumulative grade point averages for the students receiving financial aid. It is university policy to use hours pursued instead of attempted hours. Hours pursued are defined in the University Catalogue as completed courses not withdrawals or withdrawals with grades (W plus grade) courses. Also, the university does not believe that it should recalculate cumulative grade point averages for students who enrolled before January 1996. He is requesting further clarification from the Department of Education Regional Office of Student Financial Assistance and review by the university attorney. See management's response at B-117.

Additional Comments: The Code of Federal Regulations clearly states that credited hours attempted are to be used when determining grade point averages and not hours pursued as is being used by the university.

F-97-ED-NSU-2 - Student Financial Aid Deficiencies

	Questioned Costs
Student Financial Assistance Cluster:	
84.032 - Federal Family Education Loans	**$4,200**
84.033 - Federal Work-Study Program	
84.063 - Federal Pell Grant Program	

For the second consecutive year, Northwestern State University did not comply with federal regulations regarding eligibility and disbursement requirements of Title IV funds. Our tests revealed the following violations:

- The university did not perform the required entrance counseling for 10, or 72 percent, of the 14 first-time borrowers tested that received $54,742 of Federal Family Education Loans (CFDA 84.032, FFEL) during the current year. The Code of Federal Regulations [34 CFR 682.604(f)] requires an in-person or video

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

taped initial loan counseling session for each borrower at the school before the release of a FFEL. Schools must document the entrance counseling in each student's file.

- The university did not perform the required exit counseling for 4, or 80 percent, of the 5 students tested that received $16,174 of FFEL during the current year. The university's official default rate has increased from 10.9 percent for the fiscal year ending June 1993 to 13.1 percent for the fiscal year ending June 1995, the most current information available. The Code of Federal Regulations [34 CFR 682.604(g)] states that the university must conduct an in-person interview with each FFEL borrower shortly before the student ceases enrollment on at least a half-time basis to emphasize the obligation and consequences of default. If a student leaves the university and did not attend an exit interview, the university must mail written counseling material to the borrower within 30 days after learning of the withdrawal or graduation.

- A student, that was a full-time employee in the Student Financial Aid Office, was awarded $588 of FFEL funds in excess of her financial need. The Code of Federal Regulations [34 CFR 668.7(a)(10)] provides that the university may only award and disburse Title IV funds to a student if those funds, combined with other resources, are not in excess of the student's financial need. Moreover, the financial aid director increased the cost of attendance of this student by $2,827 without supporting documentation in the student's file. The U.S. Department of Education's *Federal Student Financial Aid Handbook* for 1996-97, Chapter 2, states that the financial aid administrator's professional judgment to adjust to the cost of attendance for a student's special circumstances must be documented in the student's file.

Our examination also identified additional control weaknesses and noncompliance violations for the current year as follows:

- The financial aid director was unable to locate one student's financial aid file. The central processor selected this student's application to be verified. The Code of Federal Regulations (34 CFR 668.54 and 668.55) states that the institution is responsible for verifying the information that is used to calculate an applicant's Pell Grant Index and Expected Family Contribution as part of the determination of need for student financial assistance. No documentation that the university performed this verification was provided. Moreover, we could not determine whether the second loan disbursement was made after the student completed the prior semester as required by 34 CFR 668.165(c). This student was awarded $4,200 of FFEL aid, which are questioned costs.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

- The financial aid director was unable to provide loan disbursement sheets for 4, or 24 percent, of the 17 FFEL recipients tested. Therefore, we were unable to determine if their loan disbursements were timely as required by the Code of Federal Regulations [34 CFR 668.165(c)]. These students received $16,700 of FFEL proceeds during the current year.

- Financial assistance of $438,134 provided to students and reported to various departments at the university was not communicated to the Student Financial Aid Office so it could be included when determining eligibility for other aid. The Code of Federal Regulations [34 CFR 668.16(b)(3)] requires that all information received by any institutional office that bears on a student's eligibility for Title IV assistance shall be communicated to the individual designated to be responsible for administering the program.

- There is no independent review of student financial aid packages or refunds and reimbursement calculations that are prepared by the financial aid director.

Correcting these deficiencies has not been a high priority of the management at the university. Management has not analyzed or identified the factors that contribute to the control weaknesses, which resulted in the violations discussed previously. The university's continued violation of the federal regulations could subject the university to disciplinary action by the Student Financial Assistance Office of the U.S. Department of Education.

Northwestern State University should adhere to the federal regulations relating to Title IV funds. This can be accomplished by performing a study and evaluation of the controls in the Student Financial Aid Office. Control weaknesses should be identified, corrected, and if necessary, new controls implemented to ensure compliance with the Code of Federal Regulations governing Title IV financial aid. In a letter dated July 11, 1997, Dr. Randall J. Webb, President, stated that the university concurred with the finding and is taking action to correct the deficiencies noted (B-120).

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

SUMMARY OF FINDINGS FROM OTHER EXTERNAL AUDITORS FOR THE YEAR ENDED JUNE 30, 1997

GRAMBLING STATE UNIVERSITY

Independent auditors performed an audit of Grambling State University's federal award programs for the year ended June 30, 1997, and have issued their report thereon dated October 22, 1997. The following findings were presented in their report:

F-97-ED-GSU-1 – Federal Financial Reports

	Questioned Costs
Student Financial Assistance Cluster:	
84.033 - Federal Work-Study Program	**$0**
84.038 - Federal Perkins Loan Program - Federal Capital Contributions	
93.364 - Nursing Student Loans	

The auditors noted that the university inadvertently used incorrect financial information in preparing federal financial reports. The Fiscal Operations Report (FISAP) and the Nursing Student Loan (NSL) Annual Operating Report contained errors including the following significant differences:

	Per Report	Per Accounting Records	Difference
FISAP			
Part III, Section C, Line 3 - borrowers not in repayment	$450,000	$327,311	$122,508
Part V, Section B, Line 7 - 1996-1997 funds carried forward to be spent in 1997-1998	0	92,235	(92,235)
NSL Annual Operating Report			
Loans to students cumulative	48,380	367,941	(319,561)
Students in default 120 days and over	1,399	120,498	(119,099)

Federal regulations require that an institution submit a FISAP and an NSL Annual Operating Report each year and that the institution ensure that the information reported is accurate. OMB Circular A-133 Compliance Supplement specifies reporting adherence to certain requirements.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

The auditors recommend that the university adhere to established procedures with regard to the reporting of financial amounts per the noted reports. In addition, the auditors recommend that all errors, including the previously noted items, be corrected during the edit process. See management's response at B-21.

F-97-ED-GSU-2 - Satisfactory Academic Progress

	Questioned Costs
Student Financial Assistance Cluster:	
84.007 - Federal Supplemental Educational Opportunity Grants	**$561**
84.032 - Federal Family Education Loans	**49,173**
84.063 - Federal Pell Grant Program	**12,950**
	$62,684

The auditors noted that 9 of 96 students tested were awarded and received financial aid, although the students did not meet the university's standards for achieving satisfactory academic progress. This resulted in questioned costs totaling $62,684.

Title 34 CFR Subpart A Part 668.7(c) requires that students participating in the Title IV federal financial aid programs maintain satisfactory progress in the course of study he or she is pursuing according to the standards and practices of that institution to receive student financial aid. OMB Circular A-133 Compliance Supplement, Part 5 Appendix A, Student Financial Assistance - Student Eligibility Compliance Requirement 6 stipulates that a student must maintain good standing or satisfactory progress to be eligible for student financial aid.

The auditors recommend that the university adhere to established policies and procedures and monitor the academic standing of all students before awarding student financial aid. See management's response at B-22.

F-97-ED-GSU-3 – Federal Family Loan Limits

	Questioned Costs
Student Financial Assistance Cluster:	
84.032 - Federal Family Education Loans (FFEL)	**$6,554**

The auditors noted 2 instances out of 68 tested in which the students exceeded their annual subsidized loan limit. The university allowed students to continue to borrow funds in excess of allowable amounts for their grade level resulting in an annual overaward and questioned costs of $6,554. Title 34 CFR Part 682.204(b) and OMB Circular A-133 state that the aggregate unpaid principal amount of all loans received under the Stafford Loan Program and the Direct Stafford Loan Program may not exceed $23,000 in the case of any student who has not successfully completed a program of study at the undergraduate level. Title 34 CFR Part 682.204(a) and OMB Circular A-133 Compliance Supplement, Part 5 state that the annual loan

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

limits for the first year of a program of undergraduate education may not exceed $2,625; for the second year may not exceed $3,500; and for the years thereafter, may not exceed $5,000.

The auditors recommend that the university adhere to established procedures regarding the disbursement of FFEL loan proceeds. See management's response at B-22.

F-97-ED-GSU-4 – Federal Perkins Loan Program

	Questioned Costs
Student Financial Assistance Cluster:	
84.038 - Federal Perkins Loan Program - Federal Capital Contributions	**$0**

The auditors noted that the university had not employed sufficient staff to process and monitor Perkins Loan activities, and, as a result, the university has not adhered to federal regulations, which require that certain programmatic activities be performed. The following instances of noncompliance were noted:

1. One of 10 students tested did not have a signed promissory note on file.

2. Four out of 12 students tested did not have an exit interview form on file. This is the second consecutive year a finding of this nature has been reported.

3. Documentation of rights and responsibilities could not be located for 1 of 10 students sampled.

4. Adequate information regarding cumulative Perkins Loan history was not maintained for any of the 10 students sampled.

5. Loan transactions were not recorded in the outside service center's (EDUSERV) Student Loan Journal for 8 of 10 students sampled.

6. One student tested received an additional Perkins Loan without signing a new repayment agreement.

7. One student out of 10 sampled did not have an authorized signed deferment application on file.

8. One student tested was granted an in-school deferment per the EDUSERV Student Loan Journal; however, the student's folder per the Student Financial Aid Office indicated that the student was granted a hardship deferment.

9. The enrollment status had not been properly monitored for 11 out of 26 students tested who had previously received Perkins Loans. The students noted had

either graduated or withdrawn from school but were still being reported as being enrolled in school.

10. Ten out of 10 students sampled had been in default over 120 days, but their accounts had not been transmitted to a collection agent.

Title 34 CFR Parts 674.16, 674.41, 674.42, 674.46, and 674 Subpart C stipulate certain federal requirements that the university must adhere to when maintaining a Perkins Loan fund. Also, OMB Circular A-133 Compliance Supplement, Part 5 stipulates certain special tests and provisions that are required.

The auditors recommend that the university take immediate steps to ensure the noted conditions are corrected and prevented in the future. See management's response at B-23.

F-97-ED-GSU-5 - Programmatic Review of Student Financial Aid

	Questioned Costs
Student Financial Assistance Cluster:	
84.007 - Federal Supplemental Educational Opportunity Grants	**$2,150**
84.032 - Federal Family Education Loans	**503,661**
84.033 - Federal Work-Study Program	**6,425**
84.038 - Federal Perkins Loan Program - Federal Capital Contributions	**600**
84.063 - Federal Pell Grant Program	**50,768**
	$563,604

In conjunction with their audit, the independent auditors noted a review that the university's internal auditor had performed concerning the university's adherence to certain financial aid regulations. The U.S. Department of Education mandated such a review in a letter dated July 10, 1997, that was pertinent to the June 30, 1995, year and a program review dated September 1997. The following conditions were noted in the internal auditor's review:

The internal auditor of the university noted that 52 students were awarded and received financial aid totaling $350,304 during the 1996-97 school year even though the students did not meet the university's standards for achieving satisfactory academic progress (SAP). Also, during the 1995 year, the internal auditor noted that students received financial aid totaling $213,300 even though the students did not meet the university's standards for SAP.

OMB Circular A-133 Compliance Supplement Part 5, Appendix A, Requirement 6 (Eligibility) stipulates that a student must maintain good standing or satisfactory progress. See management's response at B-24.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

F-97-ED-GSU-6 - Federal Supplemental Educational Opportunity Grants

	Questioned Costs
Student Financial Assistance Cluster:	
84.007 - Federal Supplemental Educational Opportunity Grants	**$92,805**

The internal auditor of the university determined that 258 students received Federal Supplemental Educational Opportunity Grant funds after the end of the spring 1996 semester. This resulted in questioned costs of $92,805.

OMB Circular A-133 Compliance Supplement Part 5, Section 3, Part N (Special Tests and Provisions) stipulates that disbursements to students must be made within the required time frame and required reviews must be made and documents obtained before disbursing financial aid. See management's response at B-24.

SOUTHERN UNIVERSITY AND A&M COLLEGE
(BATON ROUGE)

Independent auditors performed an audit of the Southern University and A&M College (Baton Rouge) federal award programs for the year ended June 30, 1997, and have issued their report thereon dated November 14, 1997. The following findings were presented in their report:

F-97-ED-SUBR-1 – Satisfactory Academic Progress

	Questioned Costs
Student Financial Assistance Cluster:	
84.007 - Federal Supplemental Educational Opportunity Grants	**$1,000**
84.032 - Federal Family Education Loans	**12,333**
84.033 - Federal Work-Study Program	
84.063 - Federal Pell Grant Program	**11,675**
	$25,008

The auditors noted that 6 students out of 70 tested were awarded and received financial aid, although the students did not meet the university's standards for achieving satisfactory academic progress. This is the second consecutive year a finding of this nature has been reported.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

Title 34 CFR Part 668.7(c) stipulates that students participating in the Title IV Federal Financial Aid programs must be maintaining satisfactory progress in the course of study he or she is pursuing, according to the standards and practices of that institution to receive student financial aid. OMB Circular A-133 Compliance Supplement, Part 5, Appendix A, Student Financial Assistance - Student Eligibility Compliance Requirement Number 6 stipulates that a student must maintain good standing or satisfactory progress.

The university inadvertently disbursed aid to academically ineligible students resulting in questioned costs of $25,008.

The auditors recommend that the university adhere to established policies and procedures and monitor the academic standing of all students before awarding student financial aid. See management's response at B-169.

F-97-ED-SUBR-2 – Student Enrollment Status

	Questioned Costs
Student Financial Assistance Cluster:	
84.032 - Federal Family Education Loans (FFEL)	**$0**

The auditors noted that the university did not adhere to the established procedures with regard to reporting students' enrollment status. The following conditions were noted:

1. For 4 of 24 students tested, there was no documentation on file indicating that FFEL exit interviews were held prior to the time the student withdrew, graduated, enrolled less than half time, or ceased to re-enroll. This is the third consecutive year a finding of this nature has been reported.

2. For 4 of 10 students tested, the university failed to notify lenders of changes in students' enrollment status, which occurred between the dates of submission of the Student Confirmation Report (SCR). This is the ninth consecutive year a finding of this nature has been reported.

3. The enrollment status was not reported to the related loan lender for 7 of 24 students tested.

4. Two SCRs for the fall 1996 semester and 1 SCR for the spring 1997 semester were not returned in a timely manner to both guarantee agencies tested.

OMB Circular A-133 Compliance Supplement, Part 5 stipulates certain special tests and provisions. Title 34 CFR Part 682.604(g) and Title 34 CFR Subpart C Part 674.42(a) state that an institution must conduct an exit interview with each borrower shortly before the borrower ceases at least half-time study at the institution. According to Title 34 CFR Subpart F Part 682.610(c)(2), the institution should promptly notify the lender when the institution discovers that a student who has received a FFEL has ceased to be enrolled on at least a half-time basis and

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

it does not expect to submit, within the next 60 days, its student confirmation report to the guarantee agency. Title IV FFEL regulations, Title 34 CFR Subpart F Part 682.610(c)(1), state that upon receipt of a student confirmation report from any guarantee agency, a school shall accurately complete and return that report to the guarantee agency.

The auditors recommend that the university take immediate steps to ensure the noted conditions are corrected and prevented in the future. See management's response at B-170.

F-97-ED-SUBR-3 - Aid Exceeded Documented Need

	Questioned Costs
Student Financial Assistance Cluster:	
84.007 - Federal Supplemental Educational Opportunity Grants	
84.032 - Federal Family Education Loans	**$5,715**
84.033 - Federal Work-Study Program	
84.063 - Federal Pell Grant Program	**1,185**
	$6,900

The auditors noted that 4 of 70 students tested received financial aid in excess of their documented need.

Title IV regulations, Title 34 CFR Part(s) 674.14(a)(1), 675.14(a)(1), and 676.14(a)(1), state that an institution may not award financial aid to a student if the aid, when combined with other resources, exceeds the student's financial need. OMB Circular A-133 Compliance Supplement, Part 5, Section E (Eligibility) specifies that the annual award should be calculated based upon certain factors.

The university did not properly monitor the awarding and disbursing of financial aid to certain students resulting in questioned costs totaling $6,900.

The auditors recommend that the university adhere to established procedures and ensure that the total financial aid received by students does not exceed their documented need. See management's response at B-171.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

SOUTHERN UNIVERSITY AT NEW ORLEANS

Independent auditors performed an audit of the Southern University at New Orleans federal award programs for the year ended June 30, 1997, and have issued their report thereon dated November 14, 1997. The following finding was presented in their report:

F-97-ED-SUNO-1 - Student Enrollment Status

	Questioned Costs
Student Financial Assistance Cluster:	
84.032 - Federal Family Education Loans (FFEL)	**$0**

The university has not adhered to established procedures with regard to reporting students' enrollment statuses. The auditors noted the following conditions:

1. For 5 of 29 students tested, no documentation was on file indicating that FFEL exit interviews were held prior to the time the student withdrew, graduated, enrolled less than half-time or ceased to re-enroll.

2. For 2 of 10 students tested, we noted that the university failed to notify lenders of changes in students' enrollment status, which occurred between the dates of submission of the Student Confirmation Report (SCR). This is the eighth consecutive year a finding of this nature has been reported.

3. For 16 of 29 students tested, the university did not report the students' enrollment statuses to the related loan lender.

OMB Circular A-133 Compliance Supplement, Part 5 stipulates certain special tests and provisions that are required to be adhered to. Title 34 CFR Part 682.604(g) and Title 34 CFR Subpart C Part 674.42(a) state that an institution must conduct an exit interview with each borrower shortly before the borrower ceases at least half-time study at the institution. According to Title 34 CFR Subpart F Part 682.610(c)(2), the institution should promptly notify the lender when the institution discovers that a student who has received a FFEL has ceased to be enrolled on at least a half-time basis and it does not expect to submit, within the next 60 days, its SCR to the guarantee agency. Title IV FFEL regulations, Title 34 CFR Subpart F Part 682.610(c)(1), state that upon receipt of an SCR from any guarantee agency, a school shall accurately complete and return that report to the guarantee agency.

The auditors recommend that the university take immediate steps to ensure the noted conditions are corrected and additionally prevented in the future. See management's response at B-178.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

INTERNAL CONTROL OVER COMPLIANCE

EDUCATION, DEPARTMENT OF

F-97-ED-EDUC-4 - Inadequate Controls for Federal Cash Management

	Questioned Costs
84.010 - Title I Grants to Local Educational Agencies	**$0**
84.027 - Special Education - Grants to States	
84.164 - Eisenhower Mathematics and Science Education - State Grants	
84.173 - Special Education - Preschool Grants	
84.298 - Innovative Education Program Strategies	

The State Department of Education (SDE) did not have adequate procedures to ensure that the department and its subgrantees complied with federal cash management requirements. The Code of Federal Regulations (34 CFR 80.20-21) requires grantees and subgrantees of U.S. Department of Education grants to minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement whenever advance payment procedures are used. The SDE is also required to monitor cash draws of its subgrantees for compliance with cash management requirements and to ensure reports on subgrantees' cash balances and disbursements are received in sufficient time to prepare complete and accurate cash transaction reports. Finally, the SDE and its subgrantees are required to remit to the grantor agency, at least quarterly, interest earned on advances in excess of $100.

The SDE submits cash transaction reports to the U.S. Department of Education on a monthly basis. However, the SDE does not require subgrantees to submit cash balance reports or refund excess cash until the end of 15 months and 27 months, the due dates for a preliminary and final project completion report, respectively. In addition, the SDE neither requires subgrantees to report interest earned on advances nor to remit to the grantor agency interest earned in excess of $100.

Because these procedures do not conform to cash management regulations, subgrantees received payments in excess of their immediate needs as evidenced by refunds received by SDE. For the year ended June 30, 1997, we noted that the SDE received 12 refunds of excess cash totaling $300,555, from the following federal programs: Title I Grants to Local Educational Agencies (CFDA 84.010), $255,957; Special Education - Grants to States (CFDA 84.027), $12,754; Special Education - Preschool Grants (CFDA 84.173), $2,741; Eisenhower Mathematics and Science Education - State Grants (CFDA 84.164), $2,440; and Innovative Education Program Strategies (CFDA 84.298), $26,663.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

Without adequate cash management procedures, the SDE cannot ensure that payments to subgrantees are limited to their immediate cash needs or that cash transaction reports submitted to the federal grantor agency reflect accurate and complete information. Furthermore, the SDE cannot determine if subgrantees earned interest on advances and then remitted that interest to the federal grantor agency as required by federal regulations.

The SDE should establish and implement procedures to ensure subgrantees limit draws to immediate cash needs, submit monthly cash balance and disbursement reports, remit any excess cash balances monthly or adjust monthly draws accordingly, and remit at least quarterly, to the grantor agency, any interest earned on cash advances. Also, existing accumulated interest balances at subgrantees should be remitted immediately to the grantor agency. In a letter dated December 1, 1997, Ms. Marlyn J. Langley, Deputy Superintendent of the Office of Management and Finance, concurred with the finding and outlined a plan of corrective action (B-11).

SOUTHERN UNIVERSITY AT SHREVEPORT-BOSSIER CITY

F-97-ED-SUSH-1 - Inadequate Internal Controls Over Perkins Loans Notes Receivable

	Questioned Costs
Student Financial Assistance Cluster:	
84.038 - Federal Perkins Loan Program - Federal Capital Contributions	**$0**

For the fifth consecutive year, Southern University at Shreveport-Bossier City did not maintain adequate internal controls over recording Federal Perkins Loan Program - Federal Capital Contributions (CFDA 84.038) notes receivable transactions. Good internal controls require that adequate procedures be in place to ensure that loans, loan payments, and loan cancellations are posted timely and accurately to the subsidiary ledger. These procedures should include periodic reviews of account balances to ensure entries are properly recorded, authorized, and agree to supporting loan records. Our prior audit reported a $130,000 difference between the subsidiary ledger and the supporting loan records. This difference still exists at June 30, 1997.

Failure to maintain an adequate system of controls over notes receivable results in management's inability to ensure that all notes receivable are properly recorded, completed, and accurately reported on the university's financial statements. Failure to maintain accurate account balances could result in the under or over collection of student notes receivable.

The university should continue its efforts to identify and correct errors in the subsidiary ledger, identify the transactions making up the difference in Perkins Loans notes receivable, and periodically review student account balances to ensure that all entries are recorded timely and properly. In a letter dated September 8, 1997, Dr. Leon R. Tarver II, President of Southern University System, concurred with the finding and recommendation. He stated that

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

management has made substantial progress in resolving this finding by making correcting journal vouchers and identifying differences between the subsidiary and supporting loan records where the unidentified difference is now $52,042. See management's response at B-182.

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

COMPLIANCE

DELGADO COMMUNITY COLLEGE
(Through: United Brotherhood of Carpenters, Health, and Safety Fund of North America)

F-97-HHS-DELG-1 - Excess Reimbursement of Expenditures in the Minority Worker Training Program

	Questioned Costs
93.142 - NIEHS Hazardous Waste Worker Health and Safety Training	**$26,776**

Delgado Community College requested a reimbursement of $24,000 of training cost in the Minority Worker Training Program based solely on the budget prepared for the National Institute of Environmental Health Services, Hazardous Waste Worker Health and Safety Training Program (CFDA 93.142). This grant was passed through the United Brotherhood of Carpenters, Health and Safety Fund of North America to Delgado Community College. In addition, the college requested and received $2,776 in administrative costs without a corresponding expenditure recorded in the accounting records. The program grant agreement allows reimbursement for "actual project expenditures (direct and indirect costs) incurred in the performance of this Agreement." The college requested reimbursement for the line item "Training Cost" based on the budget when there were no expenditures relating to the training cost. The college based its request for the administrative costs on the budgeted overhead rate of 7.79 percent, but did not record an expenditure or charge in its accounting records. Furthermore, the college could not provide support for the calculation of the rate used for overhead. The college requested and received funds for which it was not entitled. As a result, the college may be required to repay the grantor a total of $26,776 in questioned costs.

Management of the college should ensure that appropriate expenditures and allowable costs support all requests for reimbursement before the request is submitted. In a letter dated December 10, 1997, Raymond J. Garrity, Ed.D., Interim President, concurred with the finding and recommendation. He stated that the college will ensure that all billings or requests for reimbursement will be supported by and will be equal to the reported expenditures in the accounting records. The records for the years in question will be updated to reflect these

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

changes. In addition, the college is seeking to establish an overhead rate with the federal government. See management's response at B-6.

EDUCATION, DEPARTMENT OF

F-97-HHS-EDUC-1 - Inadequate Administration of the Church-Based Tutorial Network

	Questioned Costs
93.575 - Child Care and Development Block Grant	**$53,963**

For the third consecutive year, the State Department of Education (SDE) did not comply with certain laws, regulations, and contract provisions that regulate the Child Care and Development Block Grant (CFDA 93.575), as well as state laws and regulations affecting the Church-Based Tutorial Network, a program funded under the Office of Academic Affairs. The SDE obtained these funds from the U.S. Department of Health and Human Services through an interagency agreement with the Louisiana Department of Social Services (DSS) covering the fiscal year ended June 30, 1997, as well as funding from the state's General Fund. The SDE distributed these funds to churches and referral centers contracted to operate tutorial programs. During the year, the SDE expended $1,034,904 and $1,543,266 of federal and state monies, respectively, through the Church-Based Tutorial Network.

Our audit of program records and visits to seven tutoring sites disclosed the following instances of noncompliance:

Federal Eligibility Criteria

For the third consecutive year, the SDE failed to verify the eligibility criteria of students participating in the federally funded tutorial programs. Eligibility guidelines ensure that a program is being offered to the population of students identified in the objectives of the program. The Code of Federal Regulations (45 CFR 98.20) states that to be eligible for services, a child must be under 13 years of age and reside with a family whose income does not exceed 75 percent of the state's median income for a family of the same size. The child must also reside with a parent or parents who are working or attending a job training or educational program. Our tests of the records of 129 students at six federally funded tutoring sites disclosed the following:

- Four students did not meet the age criteria, and 12 students did not provide a correct date of birth.

- Three students' parents exceeded the family income criteria, and the income verification document for one of the three students showed a family income of over $97,000 per year.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

- Fifty-five students' parents did not provide verification of employment and income or verification of enrollment in a job training or educational program.

During our audit period, a total of $53,963 of federal funds was expended for these participants in noncompliance with eligibility requirements; therefore, we question the allowability of these expenditures.

State Eligibility Criteria

The SDE has not established adequate eligibility criteria for the state-funded tutoring sites. The Church-Based Tutorial Network administrative manual indicates that the state-funded program is designed to serve students who lack proficiency in basic academic skills, who evidence a high rate of school absenteeism, who exhibit personality and social adjustment problems, and who are at risk of dropping out of school. However, the only existing eligibility criterion required for the state-funded sites is that a child must be between 5 and 18 years old and enrolled in a public or private school. Eligibility guidelines ensure that the program is being offered to the population of students identified in the objectives of the program. During our audit period, the SDE expended $1,257,482 for state-funded tutoring sites, which includes referral centers.

Movable Property

The SDE does not have adequate controls to monitor the locations of state-owned movable property purchased for use by the Church-Based Tutorial Network. Movable property regulations require each state agency to track the location of movable property items. Our tests of 88 items of movable property assigned to seven tutoring sites disclosed the following:

- Sixty-two items of computer equipment with a total cost of $64,067 were listed on the movable property inventory at two sites, but could not be located at those sites. The Section Administrator stated that the equipment had been moved to other tutoring sites; however, he did not provide itemized lists by site of the relocated movable property. Also, he did not notify the department's property control manager of these property transfers.

- Another item of computer equipment costing $2,195, reported as unlocated, was found at a tutoring site other than the site to which it was originally assigned.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

Licensing

The SDE has not verified that state-funded referral centers complied with departmental policy for licensing requirements contained in Louisiana Revised Statutes (R.S.) 46:1400-1415. The regulations require licensing of all child care facilities that provide care, supervision, and guidance to seven or more children on a regular basis for at least twenty hours per week, including facilities owned or operated by any governmental, profit, nonprofit, or church agency. In addition, the SDE policy required that all referral centers be licensed by March 17, 1997. However, information provided by DSS indicates that none of the referral centers had obtained the required licenses. Without the standards and inspections required for child care licensing, the SDE cannot ensure that the sites will adequately protect the health, welfare, and safety of the children tutored. The state funds expended for the referral centers totaled $320,423 for the year. Various licensing issues have been reported for three consecutive years.

Nonpublic Alternative Schools

For the second consecutive year, the SDE continued to fund four tutoring sites after the Board of Elementary and Secondary Education approved the sites as nonpublic alternative schools. These sites should not have received Church-Based funding after approval as nonpublic alternative schools, but instead should have received nonpublic school funding determined in accordance with R.S. 17:361. The state funds expended for these four tutoring sites totaled $295,492 for the year.

The department made considerable progress in implementing a plan of corrective action in response to the prior year audit finding. However, the SDE needs to further refine its corrective action plan to ensure compliance with certain federal and state laws and regulations and the interagency agreement with DSS. As a result, we question $53,963 of federally funded expenditures. In addition, the use of $320,423 to fund unlicensed referral centers and $295,492 to fund nonpublic alternative schools appears to be in violation of state law. Finally, the SDE risks the misuse or loss of state-owned property as a result of inadequate tracking of property at the tutoring sites.

Management of the department should properly administer the Church-Based Tutorial Network and adhere to all state and federal laws and regulations. In addition, the SDE should strengthen its grant administration section to ensure compliance with all laws and regulations relating to federal grants and contracts. The department should consult with the U.S. Department of Health and Human Services and DSS concerning the resolution of questioned costs determined in this finding. Finally, the department should adequately track movable property used in the Church-Based Tutorial Network. In a letter dated October 9, 1997, Ms. Marlyn J. Langley, Deputy Superintendent of the Office of Management and Finance, concurred with all elements of the finding, except for "State Eligibility Criteria," and outlined the steps for corrective action. Relating to state eligibility criteria, she stated the department tries to ensure that all students at state-funded sites have the desirable characteristics listed in the administrative manual, but

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

purposely requires only an age requirement for a child enrolled in a public or nonpublic school to allow more leeway for eligibility. See management's response at B-10.

Additional Comments: With eligibility criteria designed for the target population, the Church-Based Tutorial Network could do more to ensure that participating students needed the services offered by the program. Comprehensive eligibility criteria would also enhance the development of performance indicators to assess the program's effectiveness in achieving its goals and objectives.

HEALTH AND HOSPITALS, DEPARTMENT OF

F-97-HHS-DHH-1 - Audits of Federal Subrecipients and State Contractors Not Obtained

	Questioned Costs
10.557 - Special Supplemental Nutrition Program for Women, Infants, and Children	**$0**
10.565 - Commodity Supplemental Food Program	
93.196 - Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities	
93.268 - Childhood Immunization Grants	
93.630 - Developmental Disabilities Basic Support and Advocacy Grants	
93.917 - HIV Care Formula Grants	
93.940 - HIV Prevention Activities - Health Department Based	
93.944 - Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	
93.958 - Block Grants for Community Mental Health Services	
93.959 - Block Grants for Prevention and Treatment of Substance Abuse	
93.991 - Preventive Health and Health Services Block Grant	
93.994 - Maternal and Child Health Services Block Grant to the States	
Medicaid Cluster:	
93.778 - Medical Assistance Program	

For the second consecutive year, DHH failed to adhere to federal requirements and departmental policies that require audits of subrecipients and social services contractors. The Single Audit Act of 1984 (Public Law 98-502), as amended by the Single Audit Act Amendments of 1996 (Public Law 104-156), requires the department to ensure that each subrecipient of federal pass-through funds totaling $300,000 or more has an annual audit in accordance with OMB Circular A-133. In addition, departmental policy requires that (1) all subrecipients who receive between $25,000 and $300,000 and (2) all state/local governments and corporations (profit/non-profit) other than subrecipients that have a social services contract with DHH and

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

receive $100,000 or more in funds from one or more state contracts must have a financial and compliance audit performed in accordance with *Government Auditing Standards*.

During the fiscal year ended June 30, 1996, the department developed a comprehensive monitoring system to track contracts that require audits and to monitor the receipt of audit reports and the resolution of any findings. In addition, policy numbers 3175-95 and 3105-96 were issued defining responsibility in the department for audit report monitoring and defining federal and departmental audit requirements.

Our review of the monitoring system disclosed the following:

1. Fifteen of the 153 contracts that required audits for the fiscal year ended June 30, 1996, were not submitted by June 30, 1997, although they were due by December 31, 1996. Total expenditures for these contracts were $2,947,083.

2. Twenty-seven of the 138 audits performed for the fiscal year ended June 30, 1996, had unresolved audit findings at June 30, 1997. Total expenditures for these contracts were $3,784,426.

3. During our audit of the fiscal year ending June 30, 1996, we found and reported that 92 of the 251 contracts that required audits for the fiscal year ended June 30, 1995, were not submitted by June 30, 1996, although they were due by December 31, 1995. As of June 30, 1997, audit reports for 63 of the contracts still had not been received. Total expenditures for these contracts were $7,013,528.

4. During our audit of the fiscal year ending June 30, 1996, we found and reported that 32 of the 159 audits performed for the fiscal year ended June 30, 1995, had unresolved audit findings at June 30, 1996. At June 30, 1997, the department still had not resolved the audit findings on 22 of these contracts. Total expenditures for these 22 contracts were $2,135,614.

These results indicate that employees are not following the established procedures for reporting audit information to the contracts management section, for ensuring that required audits are performed, and for ensuring that all findings are reviewed for subsequent resolution in a timely manner.

Failure to ensure that federal subrecipients or state contractors receive the required audits and failure to promptly follow up on reported findings increase the risk that federal and/or state funds will not be expended in accordance with applicable laws and regulations.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

DHH should make employees aware of the importance of following departmental policies regarding audit requirements to ensure that federal subrecipients and social services contractors are audited as required by applicable laws and regulations and that all findings are reviewed for subsequent resolution in a timely manner. In a letter dated October 7, 1997, Mr. David W. Hood, Undersecretary, concurred with the finding and recommendation. Mr. Hood stated that he has written a letter to all assistant secretaries, bureau chiefs within the Office of the Secretary, and division directors within the Office of Management and Finance directing them to take whatever action is necessary to ensure compliance with the department's policies. Mr. Hood also said that the contract review committee has recommended that the department not review or initiate new contracts with contractors that are not in compliance with department policies and that Mr. Bobby Jindal, Secretary, has approved implementation of this recommendation. See *management's response at B-25.*

F-97-HHS-DHH-2 - Failure to Reimburse Federal Share of Checks Outstanding More Than 180 Days

	Questioned Costs
Medicaid Cluster:	
93.778 - Medical Assistance Program	**$368,258**

DHH has failed to properly account for Medical Assistance Program (CFDA 93.778, Medicaid) checks outstanding more than 180 days. The Code of Federal Regulations (42 CFR 433.40) requires that checks that remain uncashed beyond 180 days from the date of issue are no longer allowable program expenditures, and the federal financial participation (FFP) that was originally claimed must be repaid. In addition, good internal controls would require that reports be updated timely for checks that are voided.

Our audit of DHH's report of checks outstanding 180 days or more at June 30, 1997, disclosed the following:

1. Checks ranging from 185 to 712 days old, totaling $449,934, were not reported to the Health Care Financing Administration (HCFA). The FFP claimed for these checks by the department totaled $368,258.

2. The schedule of outstanding checks was overstated by $109,956,822 because a check payable to the Medical Center of Louisiana at New Orleans was not voided from the UNISYS computer system even though the check was replaced by two individual checks. Both the original check and the replacement checks were dated October 15, 1996.

3. Checks held at UNISYS, the fiscal intermediary, totaled $1,295,187. These checks are held because overpayments to providers remain unresolved. Of this amount, checks totaling $46,439 were voided in the UNISYS system but were still being held. The FFP for these checks totaled $35,013.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

These conditions occurred because DHH has not ensured that the fiscal intermediary has adjusted transactions timely. As a result, DHH has failed to return $368,258 in FFP in accordance with federal regulations. The department's report of checks outstanding more than 180 days is overstated by $109,956,822, and the department has returned $35,013 in FFP in excess of the amount required.

DHH should ensure that outstanding checks are accurately reported and/or voided timely and that FFP is returned to HCFA as required by the CFR. In a letter dated October 29, 1997, Mr. Stan Mead, Director of the Division of Fiscal Management, concurred with the finding and stated that the main reason this occurred is that the cancellation process is manual and involves three offices passing paperwork to each other. Mr. Mead prepared a corrective action plan that includes allocation of additional resources to the matter and various improvements that should reduce processing time. Mr. Mead pointed out that although the department's list of checks outstanding more than 180 days did include a check for $109,956,822 in error, all reports had been manually adjusted to account for this error. This error required special processing from the Department of Social Services, Division of Information Services to be removed and this has been accomplished at this time. Mr. Mead further stated that in the future, all checks will be obtained from UNISYS before initiating cancellations to avoid duplicate credits to HCFA resulting from the cancellation of checks held by UNISYS. See management's response at B-35.

F-97-HHS-DHH-3 - Failure to Reimburse Federal Share of Provider Overpayments

	Questioned Costs
Medicaid Cluster:	
93.778 - Medical Assistance Program	**$428,292**

DHH understated the balance of provider overpayments in the Medical Assistance Program (CFDA 93.778, Medicaid) by $585,432, and failed to return an estimated $428,292 in FFP for this overpayment to HCFA. The Code of Federal Regulations (42 CFR 433.300 - 433.320) requires that in most cases states are to refund the federal share of identified provider overpayments to the federal government within 60 days of the identification of the overpayment, regardless of whether the overpayment was collected from the provider.

Some provider overpayments are identified by the Louisiana Attorney General (AG) who prosecutes Medicaid providers suspected of committing fraud in the program. When the court enters a judgment against a provider, the AG maintains the account and monitors the collection of the outstanding balance. Once the judgment is entered and the balance owed by the provider is determined, DHH is responsible for reporting the balance and returning the FFP. Our audit of identified provider overpayments disclosed one account maintained by the AG that had not been reported by the department, even though the judgment was entered October 31, 1995. The balance of this account at June 30, 1997, is $585,432, and the FFP that should have been returned is $428,292.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

This condition occurred because DHH management has not ensured that balances reported by the department are accurate and that accounts maintained at DHH are reconciled with the AG accounts and reported accurately. Because DHH did not accurately report provider overpayments, it is in noncompliance with federal regulations and has incurred questioned costs of $428,292.

DHH should establish controls to ensure that accounts maintained by the AG are reconciled with reports at DHH and that the federal share of these payments is returned in accordance with federal regulations. In a letter dated November 4, 1997, Mr. Stan Mead, Director of the Division of Fiscal Management, concurred with the finding. Mr. Mead stated that the department was not informed by the AG that there was an outstanding judgment against the provider. Mr. Mead stated that the department notifies the AG monthly of the accounts on its books, requesting verification within 10 days. However, the department assumes that the listing is correct if the AG fails to respond. Mr. Mead said that the department has notified the AG of the finding and has requested a corrective action plan. He also stated that the receivable will be reported on the next report to HCFA. See management's response at B-37.

F-97-HHS-DHH-4 - Laboratory Services Payment Errors

	Questioned Costs
Medicaid Cluster:	
93.778 - Medical Assistance Program	**$560**

For the second consecutive year, DHH may have overpaid providers in the Medicaid Assistance Program (CFDA 93.778, Medicaid) for automated chemistry and urinalysis laboratory procedures. The overpayment is estimated at $184,756.

Medicare, Medicaid, and Louisiana rules and regulations govern the provider payments for laboratory services and require that certain automated tests for chemistry and urinalysis be "bundled" into panels for billing purposes. Specific combinations of tests, when billed as a single procedure rather than as individual tests, result in a lower cost to the program. Our examination of provider payments for the calendar year 1996 disclosed the following:

1. Of 50 claims sampled for automated chemistry billings, which totaled $1,092, all contained errors that resulted in potential overpayments totaling $427. When statistically projected to the population of 21,456 claims totaling $468,616, the potential overpayment to providers is $183,384, or 39.13 percent of the population dollars.

2. Of 50 claims sampled for automated urinalysis billings, which totaled $322, all contained errors that resulted in potential overpayments totaling $133. When statistically projected to the population of 515 claims paid totaling $3,317, the potential overpayment to providers is $1,372, or 41.36 percent of the population dollars.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

We estimate total overpayments to providers for 1996 paid claims total $184,756, and we estimate the amount due to HCFA for the federal share of these overpayments is $153,107.

While the Medicaid Management Information System (MMIS), which is operated by the fiscal intermediary, UNISYS, includes edits to ensure that automated chemistry tests are properly bundled, these edits do not appear to be sufficient to detect and prevent payment for tests that are not properly bundled and/or are duplicated. In addition, there are no edits to ensure that urinalysis tests are properly bundled. As a result, overpayments that are significant either in dollars or as a percentage of total claims for a specific category, as described previously, may occur. This condition indicates that additional provider overpayments in other areas could have occurred and not been detected timely.

DHH and its program integrity section should review the potential overpayments and refer them to the Surveillance Utilization Review System (SURS), DHH internal legal counsel, and/or the Louisiana Attorney General's Medicaid Fraud Control Unit for investigation and recoupment of any amounts due from providers for overpayments. In addition, the department should review the MMIS computer edits to determine why they are not operating as defined and should consider adding edits for urinalysis tests. Finally, DHH should determine what impact the previous conditions may have on other categories of provider payments. In a letter dated November 4, 1997, Mr. Thomas D. Collins, Director of the Bureau of Health Services Financing, concurred with the finding. He stated that the condition occurred because some codes were omitted when the edits to correct the prior year finding were implemented. Mr. Collins stated that the logic changes were subsequently made and all claims with the three codes in question were reprocessed on September 23, 1997. At that time, a recoupment of $293,160 was established. See management's response at B-39.

F-97-HHS-DHH-5 - Medicaid Eligibility Determination Errors

	Questioned Costs
Medicaid Cluster:	
93.778 - Medical Assistance Program	**$156,478**

For the second consecutive year, DHH has not established eligibility for recipients in the Medical Assistance Program (CFDA 93.778, Medicaid) in accordance with federal and state regulations and departmental policies and procedures. DHH has paid $156,478 for medical claims on behalf of Medicaid recipients for which documentation does not adequately support eligibility certifications. The Code of Federal Regulations, 42 CFR 435, establishes the federal requirements for establishing Medicaid eligibility. The CFR contains requirements for required programs as well as guidance for allowable optional programs. DHH maintains a Medicaid Eligibility Manual containing the policies and procedures to be used by eligibility determinations examiners to establish Medicaid eligibility. Generally, in accordance with federal regulations, eligibility redeterminations are conducted annually for recipients to ensure their continued eligibility.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

Medicaid eligibility is generally based on qualification in certain categories of assistance combined with restrictions on income and/or resources.

1. We reviewed 60 Medicaid recipients' case files and noted the following errors in 15 case files (25 percent). Claims paid are based on on-line data from the computer system through which payments are processed and usually will not extend beyond 18 months:

   a. Of 12 case files examined for deemed eligible children, we noted errors in five. Children are deemed to be Medicaid eligible if, on their date of birth, their mothers are eligible to receive Medicaid benefits. These case files lacked documentation certifying the pregnancy of the mother at the time of her certification and/or documentation supporting the birth of the deemed eligible child or documentation of the mother's pregnancy was unclear. In addition, income was not documented sufficiently in three files. Claims paid for these recipients total $15,486.

   b. One case file was examined for a recipient receiving welfare-related Medicaid benefits only. The recipient's application was not signed. Claims paid for this recipient total $20.

   c. Of nine case files examined for CHAMP-Pregnant Woman, we noted errors in three. The Child Health and Maternity Program (CHAMP) is designed to provide prenatal care to pregnant women and care to infants and children. These case files lacked sufficient or clear documentation of the mother's pregnancy, which is required for the program. Claims paid for these recipients total $5,803.

   d. Of 14 case files examined for CHAMP Child, we noted errors in one. CHAMP children are children born on or after October 1, 1983. Income was not sufficiently documented or supported. Claims paid for this recipient total $1,755.

   e. Of two case files examined for Spend-Down in the Medically Needy Program, we noted errors in one. The Spend-Down program provides assistance to individuals with large medical bills and who are not able to pay these bills based on income and/or resources. The case file did not adequately document that a search for resources had been conducted. Claims paid for this recipient total $18,215.

   f. One case file was examined for a disabled adult child. There was no evidence that resources had been determined. No claims were paid for this recipient.

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

g. One claim was examined for a Supplementary Security Income (SSI) related recipient in a long-term care facility. These recipients may not meet the requirements to qualify for SSI, but may meet certain categorical requirements to receive Medicaid. There was no documentation to support the determination of income or resources. Claims paid for this recipient total $10,569.

h. Of five case files examined for Qualified Medicare Beneficiaries (QMBs), errors were noted in one. QMBs are individuals whose income and resources are below certain levels and for whom Medicaid pays their Medicare premiums. This case file did not include an income calculation, and we were unable to determine that resources had been reviewed at the most recent date of eligibility redetermination. Claims paid for this recipient total $429.

i. Of two cases examined for welfare or SSI-related recipients in intermediate care facilities for the handicapped, we noted errors in one. This case file lacked the required medical certification to qualify the individual for benefits. Claims paid for this recipient total $5,986.

2. During our tests of Medicaid recipients, we requested 124 case files. During the process of obtaining the requested files from the local offices, the department inadvertently threw away nine case files and could not locate two other case files. Claims paid for these recipients total $98,215.

Case files for the above 26 recipients do not adequately support eligibility determinations and claim payments totaling $156,478. Failure to establish eligibility in accordance with federal and state laws and regulations and to maintain documentation to support eligibility determinations results in potential overpayments to providers for Medicaid recipients. Failure to comply with federal and state laws and regulations and department policies and procedures may result in questioned costs and/or disallowances.

DHH should review the eligibility determination process and the training program for the eligibility determinations examiners. The department may consider a review of case files for the types of errors noted to ensure that their occurrence has not affected eligibility, which would result in a liability for overpayments to providers or in potential questioned costs and/or disallowances. In a letter dated October 7, 1997, Mr. Thomas D. Collins, Director of the Bureau of Health Services Financing, concurred with the findings of procedural errors and/or the need for policy clarification. Mr. Collins outlined various corrective actions that will be implemented. He also stated that a major corrective action initiative was undertaken to address the problems discovered in the prior audit and pointed out that some of the sample items fell into the time period before that corrective action was begun. Mr. Collins stated that the corrective efforts begun in November 1996 will be continued and refined. See management's response at B-42.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

F-97-HHS-DHH-6 - Medicaid Third Party Liability Errors

	Questioned Costs
Medicaid Cluster:	
93.778 - Medical Assistance Program	**$61,196**

For the second consecutive year, DHH has not adequately identified and recorded the existence of private health insurance for all recipients of the Medical Assistance Program (CFDA 93.778, Medicaid), and DHH has not ensured that Medicaid recipients have been informed that assignment of rights to private insurance to Medicaid is automatic. The Code of Federal Regulations (42 CFR 433.135 - 433.154) requires that state agencies take reasonable measures to determine the legal liability of third parties and requires assignment of those third party liability (TPL) rights to Medicaid. The CFR establishes the procedures by which the requirement is to be met. In addition, 42 CFR 433.146(c) allows states to make the assignment of TPL rights to Medicaid automatic under state law, eliminating the need for individual assignment of these rights, provided that the recipient is informed of the terms and consequences of the state law. R.S. 46:153(E) provides automatic assignment under state law.

Our audit included a review of case files for recipients whose eligibility determinations are made by DHH and the Department of Social Services (DSS), Office of Family Support (OFS). OFS processes applications for recipients of Temporary Assistance to Needy Families (CFDA 93.558, TANF). TANF recipients are automatically eligible for Medicaid. The approximate number of TANF recipients for whom DSS made determinations is 214,000, which is approximately 26 percent of the 818,250 recipients eligible for Medicaid for calendar year 1996.

Our audit of recipient case files for compliance with TPL regulations disclosed the following:

1. Of 57 case files tested for compliance with eligibility determinations, four indicated TPL coverage. A review of these recipients' records in the Medicaid Management Information System (MMIS), the computer system through which claims are processed and providers are paid, did not indicate any third party coverage. The claims paid for these recipients totaled $59,096.

2. Of 56 cases reviewed for compliance with TPL regulations, 23 determinations were made by OFS. The application used by OFS does not include any statement indicating an assignment of TPL rights or that assignment of these rights is automatic in accordance with Louisiana law. In addition, there was no documentation in these 23 case files to show that recipients had been informed of the federal regulation and state statute requiring assignment of third party benefits.

   One case file indicated TPL coverage. A review of this recipient's records in MMIS did not indicate any third party coverage. The claims paid for this recipient totaled $2,100.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

DHH management has not placed sufficient emphasis on controls to ensure compliance with federal regulations and state law.

Failure to adequately identify third party insurance and to ensure that MMIS files accurately reflect information contained in the recipient case files results in noncompliance with federal regulations and state law and potential overpayments to providers. Failure to ensure that there is documentation indicating that recipients have been informed that assignment of TPL rights to Medicaid is required and automatic results in noncompliance with federal and state regulations and laws for 214,000 Medicaid recipients, 26 percent of the total number of Medicaid recipients.

DHH should ensure that the existence of TPL coverage for Medicaid recipients is adequately identified and that MMIS files accurately reflect information contained in the recipient case files. DHH should ensure that TANF applications include assignment of TPL rights to Medicaid. In a letter dated October 23, 1997, Ms. Dexa Alexander responded on behalf of Mr. Thomas D. Collins, Director of the Bureau of Health Services Financing. Ms. Alexander stated that the department has issued a directive to the Medicaid regional administrators with instructions for correcting matters related to third party information gathered but not entered on the MMIS resource file. A change in computer programming has been requested to resolve the problem of Medicare coverage that was not electronically transmitted to the MMIS resource file. Ms. Alexander also included correspondence from DSS that indicates DSS began using a form in January 1997 that clearly explains assignment of rights. See management's response at B-44.

SOCIAL SERVICES, DEPARTMENT OF

F-97-HHS-DSS-1 - Audit Reports Not Monitored

	Questioned Costs
93.658 - Foster Care - Title IV-E	**$0**
Food Stamp Cluster:	
10.561 - State Administrative Matching Grants for Food Stamp Program	

For the fourth consecutive year, the Department of Social Services does not have an adequate monitoring system to ensure that all subrecipients expending $300,000 or more in federal funds and cost-reimbursement contractors funded with $100,000 or more of state funds are audited in accordance with *Government Auditing Standards*. Federal regulations (OMB Circular A-133) require the department to ensure that each subrecipient expending federal pass-through funds totaling $300,000 or more has an audit performed that will comply with this circular. Louisiana Administrative Code 34:V:134 gives the department the option of requiring audits, examining source documents for each payment request, or using internal auditors to do frequent surprise contract compliance audits of contractors that receive $100,000 or more in state funds. The department has elected to require audits.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

While monitoring procedures have been developed, the department has not implemented the system to ensure that all required audits are received. Failure to ensure that federal subrecipients or cost-reimbursement contractors are audited in accordance with *Government Auditing Standards* increases the risk that federal subrecipients or cost-reimbursement contractors will not expend federal financial assistance or state funds, respectively, in accordance with applicable laws and regulations.

The Department of Social Services should ensure that federal subrecipients and cost-reimbursement contractors are audited as required by federal and state laws and regulations. In a letter dated January 5, 1998, Mr. Thomas Joseph, Director of the Division of Fiscal Services, stated that the department does not agree with the finding (B-149).

Additional Comments: Mr. Joseph's letter refers to this matter as ". . . a non-finding and a moot point . . ." and he does not present a corrective action plan as required by OMB Circular A-133. Furthermore, we have correspondence from the department acknowledging that the prior year (1996) finding concerning this matter had not been resolved as of June 30, 1997.

F-97-HHS-DSS-2 - Failure to Perform Cost Allocation Samples Timely

	Questioned Costs
93.558 - Temporary Assistance to Needy Families	**$0**
93.560 - Family Support Payments to States - Administrative Payments	
93.658 - Foster Care - Title IV-E	
93.667 - Social Services Block Grant	
Food Stamp Cluster:	
10.561 - State Administrative Matching Grants for Food Stamp Program	

The Department of Social Services did not always ensure that the random moment sampling (RMS) process was conducted timely. 45 CFR Part 95, Subpart E and OMB Circular A-87 require the department to prepare, obtain federal approval for, and follow a plan for the allocation of indirect costs to the federal programs administered by the department. The approved plan designates RMS for the allocation of personnel costs to the Office of Family Support (OFS) and the Office of Community Services (OCS). Our audit tests revealed that the designated observer did not conduct the random moment sample at the scheduled time for 7 percent (1 of 14) of the observed samples for OFS and 78 percent (7 of 9) of the observed samples for OCS. The cost allocation plan also requires the department to perform a random monitoring observation of the RMS process for each location at least once per quarter to assure compliance with prescribed procedures. Twenty-two percent (2 of 9) of the monitoring reports requested were not performed. Failure to follow the internal control procedures designed to encourage and ensure compliance with prescribed procedures may contribute to the high rate of noncompliance. These deviations in prescribed procedures could result in developing

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

inaccurate random moment statistics for the allocation of approximately $178 million in personnel costs to the following major federal programs administered by OFS and OCS:

- CFDA 10.561 - State Administrative Matching Grants for Food Stamp Program
- CFDA 93.558 - Temporary Assistance to Needy Families
- CFDA 93.560 - Family Support Payments to States - Administrative Payments
- CFDA 93.658 - Foster Care - Title IV-E
- CFDA 93.667 - Social Services Block Grant

The Department of Social Services should ensure that coordinators and observers adhere to the prescribed procedures for conducting and monitoring the random moment sampling process as required by the department's cost allocation plan. In a letter dated December 29, 1997, Ms. Brenda L. Kelley, Deputy Assistant Secretary on behalf of Ms. Shirley B. Goodwin, Assistant Secretary of the Office of Community Services, concurred with the finding and outlined a plan of corrective action. An additional letter dated December 22, 1997, from Mr. Thomas Joseph, Director of the Division of Fiscal Services, stated that Ms. Vera Blakes, Assistant Secretary of the Office of Family Services, has directed her lead management staff to address the weaknesses noted. See management's response at B-153.

F-97-HHS-DSS-3 - Inadequate Documentation of Foster Care Payments

	Questioned Costs
93.658 - Foster Care - Title IV-E	**$2,136**

The Department of Social Services, Office of Community Services did not consistently adhere to its procedures for making payments under the Foster Care - Title IV-E (CFDA 93.658) program. The procedural manual for the Tracking Information and Payment System (TIPS), through which payments for foster care services are made, requires that service authorizations be prepared and approved for room and board payments and that receipts or other documentation be filed in the client's records for expenditures made by foster parents on behalf of foster care children. However, 5 of 50 payments (10 percent) that totaled $2,136 (22 percent) of the $9,812 examined were not supported by the required documentation.

These conditions may be attributed to poor record keeping practices. Failure to follow prescribed procedures could result in unallowable, unauthorized, or duplicate payments.

The Office of Community Services should immediately require all foster care workers to adhere to the TIPS procedural manual by maintaining documentation of payments in the client's payment records. In a letter dated February 10, 1998, Mr. Thomas Joseph, Director of the Division of Fiscal Services, concurred with the finding. He stated that corrective action has

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

been taken in each office to ensure proper procedures are adhered to in the future. This action included reviewing the TIPS procedural manual along with office procedures and advising staff to conform to department standards. He also stated that the State Office TIPS Committee will be used as a work group to determine if other corrective measures are appropriate. See management's response at B-157.

F-97-HHS-DSS- 4 - Inappropriate Reimbursement for Related Party Transactions

	Questioned Costs
93.561 - Job Opportunities and Basic Skills Training	**$159,746**

The Louisiana Office of the Inspector General (OIG) issued a report on July 10, 1997, that contained findings on the Department of Social Services, Office of Family Support and questioned $221,869 of department expenditures. These costs were questioned because the OIG identified related party transactions for which two contractors were over-compensated. *Community Independent Living Systems, Inc. (CILS) and Louisiana Industries for the Disabled* (LIFTD) contract with the department to provide various services under the Job Opportunities and Basic Skills Training (CFDA 93.561) program. These companies received reimbursement for expenditures related to the lease of computer equipment from Community Training, Management and Evaluation, Inc. (CTME) necessary for the performance of their contracts. The owner of CTME also controlled CILS and was the executive director of LIFTD and, therefore, any transactions between these companies are related party transactions.

OMB Circular A-122, Attachment B, governs nonprofit entities and limits reimbursements in related party transactions to the cost of the equipment. 48 CFR Part 31 governs commercial contractors and limits rental cost reimbursement to the acquisition cost of equipment for automatic data processing equipment. Although LIFTD is a nonprofit entity, it is unclear whether CILS is commercial or nonprofit because it was incorporated as a nonprofit but does not have the IRS 501(c) nonprofit status and pays federal income tax on its profits. However, under either criteria, the amount of reimbursement allowed for the computer equipment is limited to the cost of the equipment. The report states that the department paid the two companies a total of $333,759 and estimates that the leased equipment would have cost $111,890. We estimate the federal portion of the cost questioned by the OIG to be $159,746.

The OIG recommends and we concur that the department should seek restitution for these overpayments and refer the matter to appropriate authorities. In a letter dated December 18, 1997, Mr. Thomas Joseph, Director of the Division of Fiscal Services, concurred that the department should seek restitution for overpayments made to CILS and indicated the steps the department has already taken. This matter is currently under litigation. See management's response at B-159.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

SUMMARY OF FINDINGS FROM OTHER EXTERNAL AUDITORS FOR THE YEAR ENDED JUNE 30, 1997

GRAMBLING STATE UNIVERSITY

Independent auditors performed an audit of Grambling State University's federal award programs for the year ended June 30, 1997, and have issued their report thereon dated October 22, 1997. The following findings were presented in their report:

F-97-HHS-GSU-1 - Federal Financial Reports

	Questioned Costs
Student Financial Assistance Cluster:	
84.033 - Federal Work-Study Program	**$0**
***84.038* - Federal Perkins Loan Program - Federal Capital Contributions**	
93.364 - Nursing Student Loans	

The auditors noted that the university inadvertently used incorrect financial information in preparing federal financial reports. The Fiscal Operations Report (FISAP) and the Nursing Student Loan (NSL) Annual Operating Report contained errors including the following significant differences:

	Per Report	Per Accounting Records	Difference
FISAP			
Part III, Section C, Line 3 - borrowers not in repayment	$450,000	$327,311	$122,508
Part V, Section B, Line 7 - 1996-1997 funds carried forward to be spent in 1997-1998	0	92,235	(92,235)
NSL Annual Operating Report			
Loans to students cumulative	48,380	367,941	(319,561)
Students in default 120 days and over	1,399	120,498	(119,099)

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

Federal regulations require that an institution submit a FISAP and an NSL Annual Operating Report each year and that the institution ensure that the information reported is accurate. OMB Circular A-133 Compliance Supplement specifies reporting adherence to certain requirements.

The auditors recommend that the university adhere to established procedures with regard to the reporting of financial amounts per the noted reports. In addition, the auditors recommend that all errors, including the previously noted items, be corrected during the edit process. See management's response at B-21.

F-97-HHS-GSU-2 - *Nursing Student Loan Program*

	Questioned Costs
Student Financial Assistance Cluster:	
93.364 - Nursing Student Loans	**$55,057**

The auditors noted the following conditions that resulted in questioned costs totaling $55,057:

1. A cash balance of $46,987 existed at June 30, 1997, for the Nursing Student Loan Program even though university participation in the program had been closed during July 1996 because of the high default rate.

2. The university had not performed due diligence procedures for 65 out of 133 students who had received Nursing Student Loans totaling $158,351 that were in repayment status.

3. The university was unable to identify students who had borrowed nursing student loan funds totaling $8,070.

Title 42 CFR Part 57.316(a) stipulates that a school must immediately return all funds on hand to the federal agency and also must return future collections on a quarterly basis if its participation in the Nursing Student Loans Program was terminated. Title 42 CFR Part 57.310(b) describes the specific due diligence procedures that are required to be performed by the university. OMB Circular A-133 Compliance Supplement, Part 5 also stipulates certain special tests and provisions that are required.

The auditors recommend that management of the university take immediate steps to resolve the noted conditions. See management's response at B-22.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

INTERNAL CONTROL OVER COMPLIANCE

HEALTH AND HOSPITALS, DEPARTMENT OF

F-97-HHS-DHH-7 - Electronic Data Processing Control Weaknesses

	Questioned Costs
Medicaid Cluster:	
93.778 - Medical Assistance Program	**$0**

DHH has not ensured that UNISYS, the fiscal intermediary with which the department contracts to process over $3 billion in medical claims for the Medical Assistance Program (CFDA 93.778), has established an adequate internal control structure relating to electronic data processing (EDP) controls. General EDP controls are part of the control environment as well as control procedures over (1) application program development and maintenance, (2) logical access to programs and data, (3) computer operations, and (4) segregation of incompatible duties. Good general EDP controls are necessary to preserve the integrity of the system and to provide reliance on the results produced by the system.

Control deficiencies relating to program changes, system changes, access to systems, access to data, segregation of duties, supervision, and documentation were observed during our review of general EDP controls. These deficiencies could affect the integrity of programs, processing, and data. As a result, a general risk exists that programs and data could be accessed and modified without proper authorization, review, and approval.

DHH should ensure that UNISYS establish an adequate internal control structure relating to EDP controls to ensure the integrity of programs, processing, and data. In a letter dated January 15, 1998, Mr. Thomas D. Collins, Medicaid Director, concurred with the finding and recommendation. Mr. Collins' response includes a detailed corrective action plan. See management's response at B-30.

F-97-HHS-DHH-8 - Medicaid Cash Management Errors

	Questioned Costs
Medicaid Cluster:	
93.778 - Medical Assistance Program	**$0**

For the fourth consecutive year, DHH has not complied with the Cash Management Improvement Act (CMIA) agreement. The agreement was entered into between the State of Louisiana and the U.S. Department of the Treasury to achieve greater efficiency, effectiveness, and equity in the transfer of federal funds as required by the Cash Management Improvement Act of 1990, as amended by the Cash Management Improvement Act Amendments of 1992. The Code of Federal Regulations (31 CFR 205) applies to the agreement and specifies the procedures to be used for the five types of draws made by the department for the Medical Assistance Program (CFDA 93.778, Medicaid). Our examination disclosed the following:

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Continued)

1. On June 17, 1997, the department overdrew assistance payments by $26,659,660. The department discovered the error and corrected it with the draw of funds for August 13 and 14, 1997. Interest penalty is estimated at $218,266.

   The department has failed to timely adjust federal draws for refund payments received from providers. The CMIA agreement requires that the federal share of refunds in excess of $10,000 be returned within 24 hours. On 10 occasions, adjustments for refunds totaling $16,591,423 were made from 27 to 161 days late. We estimated interest liability for these overdraws to be $202,940.

   The department drew funds for Monday, October 14, 1996, Columbus Day, a federal holiday, for receipt on the day after the holiday. The CMIA agreement allows states to draw funds for receipt on the day before a federal holiday, and the department should have drawn the funds for receipt on the Friday preceding the holiday. In addition, funds drawn for October 15, 1996, were not requested in time for receipt that day and were not received until October 16, 1996. Estimated interest forgone totaled $7,742.

   As a result, the department has incurred an estimated $421,206 in interest penalties and has forgone an estimated $7,742 in interest earned for errors related to drawing funds for medical claims (assistance) payments.

2. The department has forgone estimated interest earnings of $150,549 for underdrawn payroll and administrative costs. DHH was underdrawn by as much as $10,830,661 during the period of July 1, 1996, through March 27, 1997. The department did not begin drawing allowable indirect administrative costs until February 13, 1997. A portion of the error was due to application of a federal financial participation rate that was not in effect.

3. The department has forgone estimated interest earnings of $6,293 for underdrawn Medicare Buy-In funds. Medicaid pays the insurance premiums for certain qualifying Medicare recipients. The CMIA agreement requires that funds be wired to HCFA on the same day that the federal funds are received. Our examination of five buy-in draws disclosed that on two occasions, premium payments were wired to HCFA from one to seven days in advance of receiving the federal funds.

The department did not comply with the CMIA agreement because it did not establish adequate procedures or did not consistently follow procedures that would have ensured compliance with the agreement. Failure to properly calculate the amount of each federal draw and to draw those funds timely exposes the state to an estimated interest penalty totaling $421,206 and an estimated loss of interest revenues totaling $164,584--a total cost of $585,790 for interest costs and interest forgone.

Schedule C

STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Federal Award Findings and Questioned Costs (Concluded)

DHH should establish procedures to ensure that funds are drawn timely and in compliance with the CMIA agreement. In a letter dated October 7, 1997, Mr. Stan Mead, Director of the Division of Fiscal Management, concurred with the finding and outlined the corrective action taken by the department (B-40).

Schedule D

Schedule of Unresolved Prior Audit Findings For the Year Ended June 30, 1997

Schedule D

STATE OF LOUISIANA
Schedule of Unresolved Prior Audit Findings
For the Year Ended June 30, 1997

Page No.

EDUCATION, DEPARTMENT OF
Inadequate Administration of the Church-Based Tutorial Network 107
Inadequate Uniform Payroll System Controls 16
Lease Payment Advanced Improperly 17, 90

EXECUTIVE DEPARTMENT
Improper Use of Nonrecurring Revenue 20
Inadequate Compilation Process 18
Inadequate Fund Balance - Patients' Compensation Fund 31
Ineffective Internal Audit Function 50
Noncompliance With State's Movable Property Regulations 22

GRAMBLING STATE UNIVERSITY
Federal Perkins Loan Program 98
Grambling State University Foundation, Inc., Delinquent Accounts Receivable 56

HEALTH AND HOSPITALS, DEPARTMENT OF
Audits of Federal Subrecipients and State Contractors Not Obtained 77, 110
Cash Subsidy Program Procedures Not Always Followed 32
Laboratory Services Payment Errors 114
Medicaid Cash Management Errors 125
Medicaid Eligibility Determination Errors 115
Medicaid Third Party Liability Errors 118
Noncompliance With Payroll Regulations 33

LOUISIANA STATE UNIVERSITY MEDICAL CENTER (NEW ORLEANS)
Untimely Liquidation of Patient Account Credit Balances 58

MEDICAL CENTER OF LOUISIANA AT NEW ORLEANS
Inaccurate Patient Charges 59

NORTHEAST LOUISIANA UNIVERSITY
Inadequate Controls Over Athletic Revenues 61

Schedule D

STATE OF LOUISIANA
Schedule of Unresolved Prior Audit Findings
(Continued)

Page No.

NORTHWESTERN STATE UNIVERSITY
Electronic Data Processing Control Weaknesses 66
Satisfactory Academic Progress Standards Not Adequately Monitored 92
Student Financial Aid Deficiencies 93
Weaknesses in Controls Over Scholarships and Other Awards 40

ORLEANS LEVEE DISTRICT
Inadequate Controls Over Professional Service Contracts 41

PUBLIC HEALTH, OFFICE OF
Reconciliation of Food Instruments Not Performed Within 150 Days 79

PUBLIC SAFETY AND CORRECTIONS - CORRECTIONS SERVICES, DEPARTMENT OF
Wardens of Louisiana State Penitentiary and Dixon Correctional Institute Do Not Live on Prison Grounds 67

PUBLIC SAFETY AND CORRECTIONS - PUBLIC SAFETY SERVICES, DEPARTMENT OF
Insufficient Controls Over Returned Checks 68

REVENUE, DEPARTMENT OF
Untimely Reconciliation of Protested Taxes 69

RISK MANAGEMENT, OFFICE OF
Internal Control Deficiencies Related to Claim Payments 70
Lack of Review of Original Documentation 72

SOCIAL SERVICES, DEPARTMENT OF
Audit Reports Not Monitored 80, 119

SOUTHERN UNIVERSITY AND A&M COLLEGE (BATON ROUGE)
Lack of Controls Over Football Ticket Revenue 72
Lack of Food Service Contracts 73
Satisfactory Academic Progress 100
Student Enrollment Status 101

Schedule D

STATE OF LOUISIANA
Schedule of Unresolved Prior Audit Findings
(Concluded)

Page No.

SOUTHERN UNIVERSITY AT NEW ORLEANS
Lack of Controls Over Cash 74
Student Enrollment Status 103
Untimely Recording and Clearing of Travel Advances 48

SOUTHERN UNIVERSITY AT SHREVEPORT-BOSSIER CITY
Inadequate Internal Controls Over Perkins Loans Notes Receivable 105
Lack of Repayment of Unauthorized Student Loans 49

UNIVERSITY OF NEW ORLEANS
Inadequate Controls Over Receivables 76

Appendix A

Schedule of Expenditures of Federal Awards and Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 1997

Appendix A

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

Page No.

U.S. Department of Agriculture A-3
U.S. Department of Commerce A-19
U.S. Department of Defense A-24
U.S. Department of Housing and Urban Development A-38
U.S. Department of Interior A-40
U.S. Department of Justice A-56
U.S. Department of Labor A-59
U.S. Department of State A-61
U.S. Department of Transportation A-68
U.S. Department of the Treasury A-71
Equal Employment Opportunity Commission A-72
General Services Administration A-72
National Aeronautics and Space Administration A-72
National Foundation on the Arts and the Humanities A-80
National Science Foundation A-82
Small Business Administration A-102
Tennessee Valley Authority A-103
U.S. Department of Veterans Affairs A-103
Environmental Protection Agency A-105
Nuclear Regulatory Commission A-112
U.S. Department of Energy A-113

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

Page No.

United States Information Agency A-119

Federal Emergency Management Agency A-121

U.S. Department of Education A-122

U.S. Department of Health and Human Services A-134

Corporation for National and Community Service A-157

Executive Office of the President A-158

Social Security Administration A-158

Other Federal Grants and Contracts A-158

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE		
Plant and Animal Disease, Pest Control, and Animal Care	10.025	
Direct Awards:		
Department of Agriculture		$546,334
Agricultural Conservation Program	*10.063*	
Direct Awards:		
Department of Agriculture		4,583
Forestry Incentives Program	10.064	
Direct Awards:		
Department of Agriculture		38,000
Rural Clean Water Program	10.068	
Direct Awards:		
LSU Agricultural Center		14,594
Federal-State Cooperation in Warehouse Examination Agreement	10.071	
Direct Awards:		
Department of Agriculture		17,247
Market News	10.153	
Direct Awards:		
Department of Agriculture		2,000
Federal-State Marketing Improvement Program	10.156	
Direct Awards:		
Department of Agriculture		12,500
Inspection Grading and Standardization	10.162	
Direct Awards:		
Department of Agriculture		73,312
Grants for Agricultural Research, Special Research Grants	10.200	
Direct Awards:		
LSU Agricultural Center		7,119
Southern University and A&M College (Baton Rouge)		913
Subtotal Grants for Agricultural Research, Special Research Grants		8,032
1890 Institution Capacity Building Grants	10.216	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		220,823

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Agricultural and Rural Economic Research	10.250	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		$15,000
Small Farmer Outreach Training and Technical Assistance Program	10.443	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		53,063
Cooperative Agreements with States for Intrastate Meat and Poultry Inspection	10.475	
Direct Awards:		
Department of Agriculture		1,979,342
Cooperative Extension Service	10.500	
Direct Awards:		
LSU Agricultural Center		6,673,030
Southern University Board and System Administration		4,249,368
Through: North Carolina State		
Southern University Board and System Administration		1,834
Subtotal Cooperative Extension Service		10,924,232
Food Distribution	10.550	
Direct Awards:		
Department of Agriculture		15,675,271
Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	
Direct Awards:		
Office of Public Health		75,767,090
State Administrative Expenses for Child Nutrition	10.560	
Direct Awards:		
Department of Agriculture		277,407
Department of Education		2,758,355
Subtotal State Administrative Expenses for Child Nutrition		3,035,762
Nutrition Education and Training Program	10.564	
Direct Awards:		
Department of Education		64,245
Commodity Supplemental Food Program	10.565	
Direct Awards:		
Office of Public Health		19,801,027

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Emergency Food Assistance Program (Administrative Costs)	10.568	
Direct Awards:		
Department of Agriculture		$977,529
Emergency Food Assistance Program (Food Commodities)	10.569	
Direct Awards:		
Department of Agriculture		1,751,018
Nutrition Program for the Elderly	10.570	
Direct Awards:		
Office of Elderly Affairs		3,623,552
Dietary Guidelines Team Nutrition Grants	10.574	
Direct Awards:		
Department of Education		244,971
Forestry Research	10.652	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		7,903
Cooperative Forestry Assistance	10.664	
Direct Awards:		
Department of Agriculture		1,293,542
Southern University and A&M College (Baton Rouge)		69,981
Subtotal Cooperative Forestry Assistance		1,363,523
Schools and Roads - Grants to States	10.665	
Direct Awards:		
Department of the Treasury		3,331,337
Rural Development Grants	10.769	
Direct Awards:		
Executive Department		177
Livestock, Meat and Poultry Market Supervision	10.800	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		1,514
Distance Learning and Telemedicine Loans and Grants	10.855	
Direct Awards:		
Northwestern State University		394,808

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Resource Conservation and Development	10.901	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		$135,842
Soil and Water Conservation	10.902	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		(976)
Agricultural Statistics Reports	10.950	
Direct Awards:		
Department of Agriculture		48,000
Southern University and A&M College (Baton Rouge)		(2,687)
Subtotal Agricultural Statistics Reports		45,313
Technical Agricultural Assistance	10.960	
Direct Awards:		
LSU Agricultural Center		103,934
International Agricultural Research Program	10.961	
Direct Awards:		
LSU Agricultural Center		41,950
International Training - Foreign Participant	10.962	
Direct Awards:		
LSU Agricultural Center		12,468
Bayou - OFC/CIV Right/Enfor	12-25-A	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		4,368
Bayou Queue De Tortue Hydrologic Unit Project	94-EHUA-1-0085	
Direct Awards:		
LSU Agricultural Center		57,262
Bayou - USDA/NASS	43-3AEU-L-86008	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		5,233
Biological and Conservation Database	KNF94-24	
Direct Awards:		
Department of Wildlife and Fisheries		3,000

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Compost Certification Training	68-7217-4-16	
Direct Awards:		
LSU Agricultural Center		$70,099
Crossatot Basin Survey	43-7A86-6-0149	
Direct Awards:		
Northeast Louisiana University		7,978
Delineation and Evaluation of Catfish and Baitfish Pond Culture Practices	94-38500-0045	
Through: Southern Regional Aquaculture Center		
LSU Agricultural Center		860
Disabled Farmers Assistance	91-EYDFA-1-0009	
Direct Awards:		
LSU Agricultural Center		(2)
Drug Enforcement Administration - Forestry Service	Unknown	
Direct Awards:		
Department of Public Safety and Corrections - Public Safety Services		7,376
The Effect of Growing Season Burns	KNF94-21	
Direct Awards:		
Department of Wildlife and Fisheries		1,049
Electronic Connectivity for State Strengthening Project	95-EYAR-1-2012	
Direct Awards:		
LSU Agricultural Center		39,678
Forest Service - Archeology Week	68/TT06X0195	
Direct Awards:		
Department of Culture, Recreation and Tourism		2,500
Forest Service Cooperative Agreement: Heritage Resource Intern Partnership Project	KNF95-22	
Through: Kisatchie National Forest		
Northwestern State University		14,605
Helping Youth Explore Emerging Food Production and Processing Technologies	94-EFSQ-1-4113	
Direct Awards:		
LSU Agricultural Center		1,577
Horizon Program (Collaborating With Other Youth Serving Agencies)	91-EYAR-1-0050	
Direct Awards:		
LSU Agricultural Center		3,567

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Implementation of TQM and HACCP Concepts for Processing Aquaculture Products	94-EFSQ-1-4145	
Through: North Carolina Cooperative Extension Service		
LSU Agricultural Center		$1,666
Incorporation of Precision Agriculture Technology Into Ongoing Statewide Soybeans	UA CES 96-101	
Through: University of Arkansas		
LSU Agricultural Center		380
Increase the Awareness and Understanding by Farmers of the 1994 Crop Insurance	196-6120-13-5904	
Through: Clemson University		
LSU Agricultural Center		2,473
Install Six-Inch PVC Drain Line - Fixed Price Contracts	40-7B07-5-259	
Direct Awards:		
LSU Agricultural Center		7,500
Louisiana Home Buyer Education Pilot Program	Unknown	
Direct Awards:		
LSU Agricultural Center		5,660
Reducing the Risk of Foodborne Illness at Fairs, Festivals and Catered Events	93-EFSQ-1-4076	
Direct Awards:		
LSU Agricultural Center		1,151
Rural Business Cooperative	RBS-96-25	
Direct Awards:		
Southern University Board and System Administration		15,840
Strengthening Programs for Children, Youth and Families	95-EYAR-1-2012	
Direct Awards:		
LSU Agricultural Center		130,344
Sustainable Agriculture Strategic Plan Implementation - Training	96-1277-17	
Through: North Carolina State University		
LSU Agricultural Center		6,135
Temporary Duty Assignment - Armenia - Fixed Price Contract	*TDY-PICHA*	
Direct Awards:		
LSU Agricultural Center		3,907
Twenty-First National Nutrient Databank Conference - Fixed Price Contract	40-3K06-6-982	
Direct Awards:		
Pennington Biomedical Research Center		3,000

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
USDA Tuition/Book Award	12-40-0001	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		$11,200
Verification of Recommended Management Practices for Aquatic Species	Unknown	
Through: Mississippi State University - Southern Regional Aquaculture Center		
LSU Agricultural Center		306
Food Stamp Cluster:		
Food Stamps	10.551	
Direct Awards:		
Department of Social Services		536,724,462
State Administrative Matching Grants for Food Stamp Program	10.561	
Direct Awards:		
Department of Social Services		40,294,468
Subtotal Food Stamp Cluster		577,018,930
Nutrition Cluster:		
School Breakfast Program	10.553	
Direct Awards:		
Department of Education		39,150,867
National School Lunch Program	10.555	
Direct Awards:		
Department of Education		130,680,568
Special Milk Program for Children	10.556	
Direct Awards:		
Department of Education		59,193
Child and Adult Care Food Program	10.558	
Direct Awards:		
Department of Education		44,427,305
Summer Food Service Program for Children	10.559	
Direct Awards:		
Department of Education		5,937,267
Subtotal Nutrition Cluster		220,255,200

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Research and Development Cluster:		
Agricultural Research - Basic and Applied Research	10.001	
Direct Awards:		
LSU Medical Center (Shreveport)		$16,052
Southern University and A&M College (Baton Rouge)		76,788
Plant and Animal Disease, Pest Control, and Animal Care	10.025	
Direct Awards:		
LSU Agricultural Center		77,633
Grants for Agricultural Research, Special Research Grants	10.200	
Direct Awards:		
LSU Agricultural Center		663,033
LSU and A&M College (Baton Rouge)		38,833
Pennington Biomedical Research Center		527,966
Southern University and A&M College (Baton Rouge)		478,257
Through: Oklahoma State University		
LSU Agricultural Center		18
Through: Texas Agricultural Experiment Station - Department of Agriculture		
LSU Agricultural Center		17,755
Through: University of Georgia		
LSU Agricultural Center		5,963
Grants for Agricultural Research, Special Research Grants - Fixed Price Contract	10.200	
Through: Colorado State University		
LSU Agricultural Center		5,000
Through: University of Florida		
LSU Agricultural Center		9,750
Cooperative Forestry Research	10.202	
Direct Awards:		
LSU Agricultural Center		394,937
Louisiana Tech University		156,563
Payments to Agricultural Experiment Stations Under Hatch Act	10.203	
Direct Awards:		
LSU Agricultural Center		2,819,828
Payments to 1890 Land-Grant Colleges and Tuskegee University	10.205	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		1,178,693

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Research and Development Cluster: (Cont.)		
Grants for Agricultural Research - Competitive Research Grants	10.206	
Direct Awards:		
LSU Agricultural Center		$132,715
LSU and A&M College (Baton Rouge)		367,669
LSU Medical Center (Shreveport)		44,858
Louisiana Tech University		22,611
Pennington Biomedical Research Center		61,683
Southern University and A&M College (Baton Rouge)		6,210
Through: University of Massachusetts - Amherst		
LSU Agricultural Center		3,990
LSU Medical Center (Shreveport)		5,239
Animal Health and Disease Research	10.207	
Direct Awards:		
LSU Agricultural Center		41,752
1890 Institution Capacity Building Grants	10.216	
Through: Alcorn State University		
LSU and A&M College (Baton Rouge)		324
Southern University and A&M College (Baton Rouge)		148,435
Higher Education Challenge Grants	10.217	
Direct Awards:		
LSU Agricultural Center		76,561
LSU and A&M College (Baton Rouge)		36,041
Southeastern Louisiana University		5
Biotechnology Risk Assessment Research	10.219	
Direct Awards:		
LSU Agricultural Center		24,354
Farm Operating Loans	10.406	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		9,204
Forestry Research	10.652	
Direct Awards:		
LSU Agricultural Center		183,549
LSU and A&M College (Baton Rouge)		6,500
Louisiana Tech University		2,292
Southern University and A&M College (Baton Rouge)		35,139

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Research and Development Cluster: (Cont.)		
Forestry Research (Cont.)	10.652	
Through: Tulane University		
LSU and A&M College (Baton Rouge)		$1,242
Through: Mississippi State University		
LSU Agricultural Center		31,262
Cooperative Forestry Assistance	10.664	
Direct Awards:		
LSU Agricultural Center		20,160
Resource Conservation and Development	10.901	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		68,329
Soil and Water Conservation	10.902	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		(20,000)
Soil Survey	10.903	
Through: Cornell University		
LSU and A&M College (Baton Rouge)		32,998
International Agricultural Research Program	10.961	
Direct Awards:		
LSU and A&M College (Baton Rouge)		4,770
Southern University and A&M College (Baton Rouge)		15,073
Scientific and Technical Cooperation	10.963	
Direct Awards:		
LSU Agricultural Center		11,938
Administrative Research	T-6-6413-101	
Direct Awards:		
LSU Agricultural Center		67
Alginate Controlled Release Formulations for the Improvements of Ground and Surface	58-6435-3-134	
Direct Awards:		
LSU Agricultural Center		734

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Research and Development Cluster: (Cont.)		
Animal Health and Disease Research Funds for FY 1996	CREES-00-1088(D)	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$24,958
Animal Health and Disease Research Funds for FY 1997	97-CRAHO6293	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,683
Biogeochemistry of Constructed Wetlands: Reducing Agriculture NPS Pollution	92-153	
Through: University of Illinois		
LSU and A&M College (Baton Rouge)		17,713
Carbonaceous Materials Made from Agricultural By-Products and Their Use in Cane	58-6435-3-121	
Direct Awards:		
LSU Agricultural Center		41,690
Cloning of Conjugated Fatty Acid Synthetase from Chinese Melon	58-6435-5-087	
Direct Awards:		
LSU Agricultural Center		34,587
Compost Certification Training	68-7217-4-16	
Direct Awards:		
LSU Agricultural Center		5,975
Conservation Assessment on the Bi-Eared Bat	Unknown	
Direct Awards:		
University of Southwestern Louisiana		1,199
Cooperative Agreement/Soil Conservation Service	68-7217-8-23	
Direct Awards:		
LSU Agricultural Center		26,845
Cotton Motes Dying Defects	T-6-6413-106	
Direct Awards:		
LSU Agricultural Center		7,647
CPA-Nitrogen Efficiency Demonstration Project	68-7217-6-(204)	
Direct Awards:		
LSU Agricultural Center		110

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Research and Development Cluster: (Cont.)		
CSRS Program Income	SEC1445	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		$62,045
Delineation of 1990 Commuting Zones	43-3AEN-380045	
Direct Awards:		
LSU Agricultural Center		2,084
Delta Nutrition Project - Biostatistics	58-0101-5-018	
Direct Awards:		
Pennington Biomedical Research Center		18,441
Delta Nutrition Project - Body Composition	58-0101-5-018	
Direct Awards:		
Pennington Biomedical Research Center		48,985
Delta Nutrition Project - Clinic Recruiting	58-0101-5-018	
Direct Awards:		
Pennington Biomedical Research Center		30,742
Delta Nutrition Project - Clinical Chemistry	58-0101-5-018	
Direct Awards:		
Pennington Biomedical Research Center		2,673
Delta Nutrition Project - Clinical Support	58-0101-5-018	
Direct Awards:		
Pennington Biomedical Research Center		133,598
Delta Nutrition Project - Menu	58-0101-5-018	
Direct Awards:		
Pennington Biomedical Research Center		29,612
Delta Nutrition Project - Metabolic Chamber	58-0101-5-018	
Direct Awards:		
Pennington Biomedical Research Center		39,852
Developing a Seed Based System for Producing Smooth Cordgrass	68-7217-5-21	
Direct Awards:		
LSU Agricultural Center		1,698

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Research and Development Cluster: (Cont.)		
Digitizing Data in the HU/WQ Test Model	68-7217-5-80	
Direct Awards:		
LSU Agricultural Center		$3,124
Endocrine Regulation of Structure and Function in Insect Malpighian Tubules	93-37302-9611	
Direct Awards:		
University of Southwestern Louisiana		74,577
Environmentally-Derived Off-Flavors in Fish Ponds	93-38500-8393	
Through: Southern Region Aquaculture Center		
Louisiana Tech University		15,171
Evaluation of Capsicum Accessions for Resistance to Potato Y, Tobacco Etch	58-6659-4-008	
Direct Awards:		
LSU Agricultural Center		4,513
Evaluation of Corn Genotypes with Live Corn Embryo	58-6435-2-130	
Direct Awards:		
LSU Agricultural Center		71,904
Evaluation of Soybean Germplasm for Resistance to Rhizomes Rhizoctomiz Aerial Blight	58-6402-5-069	
Direct Awards:		
LSU Agricultural Center		9,844
Field Indicators of Hydric Soils	68-7482-6-144	
Direct Awards:		
LSU and A&M College (Baton Rouge)		40,325
Food Assistance Programs and Maternal and Child Health: Legal and Undocumented Migrants	215Y880	
Through: University of Wisconsin System		
LSU and A&M College (Baton Rouge)		5,549
Fur Harvest and Trapper Trends to RPA Wildlife Assessment	28-JV6-924	
Direct Awards:		
LSU Agricultural Center		4,000
Genetic Engineering of Cotton to Confer Enhanced Resistance to *Aspergillus flavus*	58-6435-6-033	
Direct Awards:		
University of Southwestern Louisiana		24,562

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Research and Development Cluster: (Cont.)		
Genetic and Environmental Influences on Cotton Fiber Molecular Composition	58-6435-2-010	
Direct Awards:		
University of New Orleans		$9,350
Habitat Transect Survey of the Endangered American Burying Beetle	95-CCS-021	
Direct Awards:		
LSU Agricultural Center		3,876
Honey Bee Breeding	T-7-6413-103	
Direct Awards:		
LSU Agricultural Center		30,830
Honey Bee Breeding, Genetics and Physiology Research	T-6-6413-103	
Direct Awards:		
LSU Agricultural Center		6,427
Improving Production Efficiency of Warmwater Aquaculture Species Through Nutrition	90-38500-5099	
Through: Southern Regional Aquaculture Center		
LSU Agricultural Center		(306)
Improving Production Efficiency of Warmwater Aquaculture Species Through Nutrition	USDA#94-38500-0045	
Through: Southern Regional Aquaculture Center		
LSU Agricultural Center		15,246
Kisatchie National Forest Cost Share Agreement	KNF-96-16	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,698
Management of Environmentally-Derived Off-Flavors in Warm Water Fish Ponds	Unknown	
Through: Southern Regional Aquaculture Center - Mississippi State University		
LSU Agricultural Center		7,720
Modeling of Wood Fiberboard Composites Using Individual Pulp Fiber Properties	SRS-33-CA-97-047	
Direct Awards:		
University of Southwestern Louisiana		16,373
Moth Study - Challenge - Cost Share Agreement	Unknown	
Direct Awards:		
LSU and A&M College (Baton Rouge)		371

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Research and Development Cluster: (Cont.)		
National Canola Research Program for the Mid South Region	UA-AES-95-102	
Through: University of Arkansas		
LSU Agricultural Center		$24,542
A New Screening Method for Selecting *Aspergillus flavus* - Resistant Maize	58-3625-5-159	
Direct Awards:		
LSU Agricultural Center		429
Nonwoven Textiles from Cotton and Other Natural Fibers	58-6435-3-127	
Direct Awards:		
LSU Agricultural Center		48,654
NRCS Louisiana PSU Conversion Project	68-7217-6-50	
Direct Awards:		
LSU Agricultural Center		412
Optimizing Nutrient Utilization and Reducing Waste Through Diet Composition	Unknown	
Through: Mississippi State University - Southern Regional Aquaculture Center		
LSU Agricultural Center		3,117
Performance of Tropical and Temperate Corn Test Crosses	58-3625-6-117	
Direct Awards:		
LSU Agricultural Center		1,041
Production and Testing of Transgenic Cotton Seed with Enhanced Resistance to Invasion by *Aspergillus flavus*	58-6435-1-134	
Direct Awards:		
University of Southwestern Louisiana		19,329
Reducing Aquacultural Waste Generation and Discharge	2534503	
Through: University of Maryland		
LSU and A&M College (Baton Rouge)		(1,362)
Reproductive Biology of Red Swamp and White River Crawfishes: Aquacultural Consideration	93-37208-9500	
Direct Awards:		
University of Southwestern Louisiana		3,499
Research Project on Smooth Cordgrass and Other Coastal Wetlands Species	68-7217-6-7	
Direct Awards:		
LSU Agricultural Center		52,329

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Research and Development Cluster: (Cont.)		
Rice Research	T-7-6413-105	
Direct Awards:		
LSU Agricultural Center		$1,485
Soil and Water Research	T-6-6413-102	
Direct Awards:		
LSU Agricultural Center		22,636
Soil and Water Research	T-5-6413-102	
Direct Awards:		
LSU Agricultural Center		153
Soil and Water Research - Baton Rouge	T-7-6413-102	
Direct Awards:		
LSU Agricultural Center		66,333
Soil Map Compilation for Lafourche, Jefferson and Plaquemines Parishes	68-7217-6-38	
Direct Awards:		
LSU Agricultural Center		6,565
Soil Water Research	68-7217-3-350	
Direct Awards:		
LSU Agricultural Center		1,295
Statistical Analysis of Salmonid Spawning Substrate	INT-95118-RJVA	
Direct Awards:		
LSU Agricultural Center		8,578
Strategic Control of Nematodes in Dairy Cattle on Intensive Rotational Grazing	58-1265-6-061	
Direct Awards:		
LSU Agricultural Center		39
Succession and Biomas Production of Magroves in the Orinoco Delta	IITF-95-CA-022	
Direct Awards:		
University of Southwestern Louisiana		32,959
Sugarcane Research	T-6-6413-104	
Direct Awards:		
LSU Agricultural Center		54,691

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF AGRICULTURE (CONT.)		
Research and Development Cluster: (Cont.)		
To Develop Additional Botanical Data for the Plants Database for NRCS Discipline	68-7217-5-97	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$741
To Develop Additional Botanical Data for the Plants Database for NRCS Discipline	68-7217-6-87	
Direct Awards:		
LSU and A&M College (Baton Rouge)		4,109
Unified Climate Access Network (UCAN)	*68-0484-6-13*	
Direct Awards:		
LSU Agricultural Center		29,325
Use of Facilities	SRS 30-RCRA-96-089	
Direct Awards:		
University of Southwestern Louisiana		2,992
Water Quality Functions of Forested Wetlands	91-37102-6791	
Direct Awards:		
LSU and A&M College (Baton Rouge)		55,494
Subtotal Research and Development Cluster		9,164,449
Total U.S. Department of Agriculture		$947,154,611
U.S. DEPARTMENT OF COMMERCE		
Trade Development - Fixed Price Contract	11.110	
Through: Consultants Group - Latin America		
LSU and A&M College (Baton Rouge)		$850
Economic Development - Grants for Public Works and Infrastructure Development	11.300	
Direct Awards:		
LSU and A&M College (Baton Rouge)		65,752
Fishery Products Inspection and Certification	11.413	
Direct Awards:		
Department of Agriculture		86,308
Sea Grant Support	11.417	
Direct Awards:		
LSU and A&M College (Baton Rouge)		15,501

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF COMMERCE (CONT.)		
Coastal Zone Management Administration Awards	11.419	
Direct Awards:		
Department of Natural Resources		$2,343,643
Habitat Conservation	11.463	
Direct Awards:		
Department of Natural Resources		833,201
Coastal Services Center	11.473	
Direct Awards:		
Department of Natural Resources		67,084
Telecommunications and Information Infrastructure Assistance Program	11.552	
Direct Awards:		
Executive Department		1,675
Measurement and Engineering Research and Standards	11.609	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		15,203
Dire Emergency Appropriation Fund - Shellfish Restoration	NA36FL0090-01	
Direct Awards:		
Department of Wildlife and Fisheries		12,500
Gulf of Mexico Fishery Management Council	95-LA-70300	
Direct Awards:		
Department of Wildlife and Fisheries		12,500
Gulf of Mexico Fishery Management Council	97-LA-70300	
Direct Awards:		
Department of Wildlife and Fisheries		16,781
National Marine Fisheries Services	40GANF600151	
Direct Awards:		
McNeese State University		4,160
Public Telecommunications Facilities Program - All Portions	22-04-95008	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,923
Title IX Long-Term Deterioration Economic Adjustment Assistance	08-29-03021	
Direct Awards:		
Department of Wildlife and Fisheries		10,094

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF COMMERCE (CONT.)		
Research and Development Cluster:		
Economic Development - State and Local Economic Development Planning	11.305	
Direct Awards:		
University of New Orleans		$28,805
Special Economic Development and Adjustment Assistance Program - Sudden and Severe Economic Dislocation (SSED) and Long-Term Economic Deterioration (LTED)	11.307	
Direct Awards:		
LSU Agricultural Center		23,286
Interjurisdictional Fisheries Act of 1986	11.407	
Direct Awards:		
Department of Wildlife and Fisheries		136,324
Sea Grant Support	11.417	
Direct Awards:		
LSU and A&M College (Baton Rouge)		2,033,620
Coastal Zone Management Estuarine Research Reserves	11.420	
Direct Awards:		
LSU and A&M College (Baton Rouge)		37,757
Fisheries Development and Utilization Research and Development Grants and Cooperative Agreements Program	11.427	
Direct Awards:		
LSU and A&M College (Baton Rouge)		83,035
Intergovernmental Climate Program	11.428	
Direct Awards:		
LSU Agricultural Center		26,600
LSU and A&M College (Baton Rouge)		246,527
Undersea Research	11.430	
Through: University of North Carolina at Wilmington		
LSU and A&M College (Baton Rouge)		140
Marine Fisheries Initiative	11.433	
Direct Awards:		
LSU Agricultural Center		62,503
LSU and A&M College (Baton Rouge)		71,817

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF COMMERCE (CONT.)		
Research and Development Cluster: (Cont.)		
Cooperative Fishery Statistics	11.434	
Direct Awards:		
Department of Wildlife and Fisheries		$102,680
Southeast Area Monitoring and Assessment Program	11.435	
Direct Awards:		
Department of Wildlife and Fisheries		112,712
Coastal Services Center - Fixed Price Contract	11.473	
Direct Awards:		
LSU and A&M College (Baton Rouge)		16,618
#228 Pipeline Spill on Assessment of Chemical Hazards	50ABNC200003,TDD#36	
Direct Awards:		
LSU and A&M College (Baton Rouge)		2,224
1995 Prince William Sound Monitoring Program	50ABNC200003,TDD#29	
Direct Awards:		
LSU and A&M College (Baton Rouge)		11,810
Analysis of Microzooplankton Samples	40WCNR503459	
Direct Awards:		
Louisiana Universities Marine Consortium		1,152
Assessment of Chemical Hazards Associated with Oil Releases	50ABNC200003,TDD#35	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,906
Chemical Hazardous Assessment, Training and Technical Support	50ABNC200003,TDD#1	
Direct Awards:		
LSU and A&M College (Baton Rouge)		*146,871*
Design and Evaluation of a Commercial Scale Hydraulically Integrated Serial Turbine	AQ97.053-7404-02	
Through: National Coastal Resources Research and Development Institute		
LSU and A&M College (Baton Rouge)		5,917
Design and Evaluation of a Commercial Scale Propeller - Washed Bead Filter	AQ93.187-5630-03	
Through: National Coastal Resources Research and Development Institute		
LSU and A&M College (Baton Rouge)		(112)

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF COMMERCE (CONT.)		
Research and Development Cluster: (Cont.)		
Develop Descriptive Session for Gulf of Mexico - Fixed Price Contract	40GFNF500169	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$900
Ecological Effects of Marsh Progradation	NA46RG0171	
Direct Awards:		
Louisiana Universities Marine Consortium		16,381
Food Processor and Community Development of Rural Coastal Areas	ST94.078-5632-02	
Through: National Coastal Resources Research and Development Institute		
LSU and A&M College (Baton Rouge)		64,897
Innovative Development of Joining/Fitting Technology for Advanced Composite	Unknown	
Through: Specialty Plastics		
LSU and A&M College (Baton Rouge)		236,742
IPA - Charles Milan	IPA-MILAN	
Direct Awards:		
LSU and A&M College (Baton Rouge)		50,940
IPA - Lindstedt	50WPC9404	
Direct Awards:		
LSU and A&M College (Baton Rouge)		44,837
Manufacturing Extension Partnership	70NANB6H0172	
Direct Awards:		
University of Southwestern Louisiana		183,072
Medium Fuel Oil Discharge Pearl Harbor, Hawaii TDD #32	50ABNC200003,TDD#32	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,999
National Telecommunications and Information Administration	22-40-95135	
Direct Awards:		
University of New Orleans		174,363
Real-Time Micro-PCR Analysis System	70NANB5H1106	
Through: Perkin Elmer Corporation		
LSU and A&M College (Baton Rouge)		144,197

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF COMMERCE (CONT.)		
Research and Development Cluster: (Cont.)		
Review of Persistent Solid Waste Management Practices - Fixed Price Contract	43ABNF402122	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$1,000
T/V Anitra, Delaware TDD #33	50ABNC200003,TDD#33	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,490
TDD #31 - Baker Bay Tire Fire, Ilwaco, Washington	50ABNC200003,TDD#31	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,201
TDD #34 - Formosa Six Spill	50ABNC200003,TDD#34	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,568
Title IX LTED Economic Adjustment Assistance	08-29-03014	
Direct Awards:		
LSU and A&M College (Baton Rouge)		112,584
University Center Technical Assistance Program	08-06-02522	
Direct Awards:		
University of New Orleans		70,059
Use of Facilities Lease Agreement	Unknown	
Direct Awards:		
University of Southwestern Louisiana		38,928
Subtotal Research and Development Cluster		4,297,350
Total U.S. Department of Commerce		$7,784,525
U.S. DEPARTMENT OF DEFENSE		
Planning Assistance to States	12.110	
Direct Awards:		
Executive Department		$52,920
Payments to States in Lieu of Real Estate Taxes	12.112	
Direct Awards:		
Department of the Treasury		42,704

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	
Direct Awards:		
Department of Environmental Quality		$108,780
Collaborative Research and Development	12.114	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		184,395
Basic and Applied Scientific Research	12.300	
Direct Awards:		
LSU in Shreveport		79,422
Military Construction, National Guard	12.400	
Direct Awards:		
Department of Military Affairs		1,461,568
National Guard Military Operations and Maintenance (O&M) Projects	12.401	
Direct Awards:		
Department of Military Affairs		12,011,024
Air Force Defense Research Sciences Program - Fixed Price Contract	12.800	
Direct Awards:		
LSU and A&M College (Baton Rouge)		35,716
Mathematical Sciences Grants Program	12.901	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		5,579
Through: Clark-Atlanta University		
Southern University and A&M College (Baton Rouge)		22,500
Subtotal Mathematical Sciences Grants Program		28,079
Aquatic Growth Control	DACW29-80-C-0132	
Direct Awards:		
Department of Wildlife and Fisheries		216,559
AT/IDT Billeting	Unknown	
Direct Awards:		
Department of Military Affairs		35,011
Coastal Wetlands Planning, Protection and Restoration Act	W42-HEM	
Direct Awards:		
Department of Natural Resources		1,005,060

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
Cooperative Agreement - U.S.S. Eastport and Dix Shipwrecks		
(U.S. Army Corps of Engineers)	Unknown	
Direct Awards:		
Northwestern State University		$25,517
Def Acquisition Scholarship Program	Fleming,J. 301-85-9195	
Through: NE Consortium for Engineering Education		
Louisiana Tech University		7,776
Def Acquisition Scholarship Program	John,O. 580-06-0853	
Through: NE Consortium for Engineering Education		
Louisiana Tech University		16,416
Gender Differences in Immune Defense Mechanism	Unknown	
Through: GEO-Centers, Inc.		
LSU Medical Center (New Orleans)		21,130
Geologic Review of Joint Public Notice	ODS-7275	
Direct Awards:		
Department of Natural Resources		162,540
Gulf States Counter Drug Interdiction Program	Unknown	
Direct Awards:		
Department of Military Affairs		*101,162*
Institute of Science for the Pursuit of Graduate Studies	N00014-94-1-1181	
Direct Awards:		
Grambling State University		403,963
Joint Readiness Training Center	Unknown	
Direct Awards:		
Department of Military Affairs		98,714
Military Installation Timber Sale Receipts	10 USC 2665 7104 7204	
Direct Awards:		
Department of the Treasury		506,497
Reserve Component Automated System	Unknown	
Direct Awards:		
Department of Military Affairs		116,462

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
RTD Trailers	Unknown	
Direct Awards:		
Department of Military Affairs		$8,576
Teacher and Teachers Aid Placement Assistance Program	MOA2-2-95	
Direct Awards:		
Executive Department		148,039
Unknown	Unknown	
Direct Awards:		
Department of Military Affairs		529,748
U.S. Army ROTC Cadet Command	DABT60-96 P-0420	
Direct Awards:		
Grambling State University		43,167
U.S. Military Academy - IPA - Kenneth Murchison	IPA MURCHISON	
Direct Awards:		
Paul M. Hebert Law Center		115,639
Research and Development Cluster:		
Procurement Technical Assistance for Business Firms	12.002	
Direct Awards:		
University of Southwestern Louisiana		349,887
State Memorandum of Agreement Program for the Reimbursement of Technical Services	12.113	
Through: Mississippi Department of Wildlife, Fisheries, and Parks		
Southeastern Louisiana University		54,576
Collaborative Research and Development	12.114	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		34,786
Basic and Applied Scientific Research	12.300	
Direct Awards:		
LSU and A&M College (Baton Rouge)		455,597
LSU Medical Center (New Orleans)		10,250
Louisiana Tech University		28,369
Southern University and A&M College (Baton Rouge)		1,275,803
University of New Orleans		49,382
University of Southwestern Louisiana		7,048

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
Research and Development Cluster: (Cont.)		
Basic and Applied Scientific Research (Cont.)	12.300	
Direct Awards: (Cont.)		
Through: Texas A&M Research Foundation		
LSU and A&M College (Baton Rouge)		$18,989
Military Medical Research and Development	12.420	
Direct Awards:		
LSU Medical Center (New Orleans)		5,431,184
Basic Scientific Research	12.431	
Direct Awards:		
LSU Medical Center (New Orleans)		49,611
Louisiana Tech University		536,614
Basic, Applied, and Advanced Research in Science and Engineering	12.630	
Direct Awards:		
LSU and A&M College (Baton Rouge)		11,931
Through: University of Southern California		
LSU and A&M College (Baton Rouge)		159,414
Air Force Defense Research Sciences Program	12.800	
Direct Awards:		
LSU and A&M College (Baton Rouge)		154,447
LSU Medical Center (New Orleans)		48,324
LSU Medical Center (Shreveport)		20,035
Louisiana Tech University		150,034
Southern University and A&M College (Baton Rouge)		62,307
Through: Washington University		
LSU and A&M College (Baton Rouge)		10,061
Through: Research and Development Laboratories		
University of New Orleans		14,229
Mathematical Sciences Grants Program	12.901	
Direct Awards:		
LSU and A&M College (Baton Rouge)		45,378
Aerial Photo/Field Work Task-Monitoring Wetland Creation	E96950MOA	
Direct Awards:		
LSU and A&M College (Baton Rouge)		298,512

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
Research and Development Cluster: (Cont.)		
Alignment System for Anorad X-ray Exposure Tool	DAA04-93-G-0411	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$278,765
Applications and Mass Production of High Aspect Ratio Microstructures	DABT63-95-C-0020	
Direct Awards:		
LSU and A&M College (Baton Rouge)		174,222
Barrier Island Plan - Phase 1	25081-95-02	
Through: T. Baker Smith and Son, Inc.		
LSU and A&M College (Baton Rouge)		129,016
Better Estimates of Post Construction Requirements Survey - Fixed Price Contract	DACW39-95-K-0086	
Direct Awards:		
LSU and A&M College (Baton Rouge)		3,451
Coastal Bottom Type Mapping Using Shoals and Casi Data	DACW39-92-D-0016	
Through: John E. Chance and Associates, Inc.		
LSU and A&M College (Baton Rouge)		5,519
Coastal Wetland Planning, Protection and Restoration Act - University Assistance	Unknown	
Direct Awards:		
Louisiana Universities Marine Consortium		51,356
Compression Behavior of Saturated Composites at Sub-Zero Temperatures	N00014-94-1-0755	
Direct Awards:		
University of New Orleans		19,145
Computational Analyses Related to Synthesis and Evaluation of Energetic Materials	N00014-95-1-0028	
Direct Awards:		
University of New Orleans		42,602
Computational Determination of the Properties of Existing and Proposed Energetic Compounds and Related Species	N00014-97-1-0066	
Direct Awards:		
University of New Orleans		111,479

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
Research and Development Cluster: (Cont.)		
Coordination and Monitoring Results Task - Monitoring Wetland Creation	E96950MOA	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$40,250
Damage of Dynamically Loaded Fiber Reinforced Plastic Laminates at Room and Low Temperatures	DACA89-96-K-0010	
Direct Awards:		
University of New Orleans		3,087
Development of an Object-Oriented Digital Mapping Database with Modeling and Simulation Extensions to be Compared to an Extended VPF Database	N00014-95-C-6034	
Direct Awards:		
University of New Orleans		13,422
Development of Phase Change Components for Control	DAAH04-94-G-0348	
Direct Awards:		
Louisiana Tech University		11,442
DLA Apparel Research Network Partnership	SP0100-95-D-1006	
Direct Awards:		
University of Southwestern Louisiana		50,827
Earth Materials Mapping of the National Training Center - Fixed Price Contract	DACA76-96-C-0007	
Direct Awards:		
LSU and A&M College (Baton Rouge)		12,500
Economic Analysis of Fisheries Displacement Study - Fixed Price Contract	DACW29-96-M-1055	
Direct Awards:		
LSU and A&M College (Baton Rouge)		8,918
Effect of Thermal Cycling on Composite Structures	DAAH03-97-P-0350	
Direct Awards:		
University of New Orleans		180
Effects of Lower Atchafalaya River Management on Freshwater, Nutrient and Sediment - Fixed Price Contract	DACW29-97-M-0172	
Direct Awards:		
LSU and A&M College (Baton Rouge)		25,151

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
Research and Development Cluster: (Cont.)		
Effects on Wax Lake Weir Removal and Proposed Changes on		
Freshwater and Sediments - Fixed Price Contract	DACW29-96-M-0653	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$49,962
Geographic Information System Development for Evaluating		
Sediment Transport Patterns	DACW39-94-K-0050	
Direct Awards:		
LSU and A&M College (Baton Rouge)		16,734
Geologic Correlation of Surficial Deposits at Hedgeland Place Site -		
Fixed Price Contract	Unknown	
Through: Coastal Environments, Inc.		
LSU and A&M College (Baton Rouge)		500
Geological Correlation of Surficial Deposits at Hurricane and Cat island	Unknown	
Through: Pan American Consultants, Inc.		
LSU and A&M College (Baton Rouge)		2,500
Geological, Hydrological and Ecological Investigations	DACW39-96-K-0032	
Direct Awards:		
LSU and A&M College (Baton Rouge)		200,059
Geomorphic Processes of Channel Changes in the Lower Red River,		
Alexandria - Fixed Price Contract	DACW38-91-D-0017	
Through: Pan American Maritime LLC		
LSU and A&M College (Baton Rouge)		5,000
Geomorphological Survey Along Red River - Fixed Price Contract	96SC0112-A(1110-040)	
Through: Geo-Marine, Inc.		
LSU and A&M College (Baton Rouge)		6,397
Geomorphological Survey of Barksdale Air Force Base -		
Fixed Price Contract	96SC0111-A(1114-198)	
Through: Geo-Marine, Inc.		
LSU and A&M College (Baton Rouge)		4,983
Geophysical Signal Processing	DAAH04-93-G-0291	
Direct Awards:		
University of New Orleans		32,244

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
Research and Development Cluster: (Cont.)		
GIS Development Task-Monitoring Wetland Creation	E96950MOA	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$62,654
Gulf Coast Region Maritime Technology Center	N00014-94-2-0011	
Direct Awards:		
University of New Orleans		6,365,183
Heterocyclic-BF2 Complexes and Related Structures as Laser Dyes	DAAH04-95-1-0078	
Direct Awards:		
University of New Orleans		7,272
Higher Order Statistical Analysis of Ocean Noise Measurement for Performance Prediction	N00014-95-1-0648	
Direct Awards:		
University of New Orleans		22,694
Historical Shoreline Change in the Northern Gulf of Mexico - Fixed Price Contract	DACA39-95-M-4863	
Direct Awards:		
LSU and A&M College (Baton Rouge)		21,860
Identifying Objects in Legacy Systems for Re-use and Re-engineering	DAAH04-94-G-0334	
Direct Awards:		
University of Southwestern Louisiana		90,735
Intelligent Information Fusion and Management Prototype Applicable to EOSDIS	NAG5-2842	
Direct Awards:		
University of Southwestern Louisiana		39,987
Intelligent CAD System for Materials Processing	F33615-96-D-5835	
Direct Awards:		
Louisiana Tech University		3,243
Investigations on the Chemistry of Organic Derivatives of Nitroso and Nitro Groups	N00014-96-1-0823	
Direct Awards:		
University of New Orleans		184,568

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
Research and Development Cluster: (Cont.)		
Live Formation of Biological Neural Networks on a VLSI Chip	N00014-93-1346	
Direct Awards:		
University of Southwestern Louisiana		$7,299
Low Temperature Micromechanics	DAAH04-G-0117	
Direct Awards:		
University of New Orleans		33,371
Mobile Offshore Base (MOB) Project	N00167-95-C-0113	
Through: McDermott, Incorporated		
University of New Orleans		152,248
Modeling Multi-Species Transport Under Electric Fields	DACA39-95-K-0068	
Direct Awards:		
LSU and A&M College (Baton Rouge)		18,552
Motion Research and Conditioning of Data	N00014-96-2-0015	
Direct Awards:		
University of New Orleans		1,139,604
Motion Research and Conditioning of Data (IPA Agreement)	N6686396MD00049	
Direct Awards:		
University of New Orleans		25,036
Nanophase Magnetic Particles for Advanced Materials	MDA972-97-1-0003	
Direct Awards:		
University of New Orleans		54,732
Nanophase Synthesis of Magnetic Materials	N00014-97-1-G005	
Direct Awards:		
University of New Orleans		52,231
Naval Research Laboratory - Fixed Price Contract	N00-94-7230173	
Direct Awards:		
University of New Orleans		5,000
Naval Research Shiptime	N00014-97-1-0350	
Direct Awards:		
Louisiana Universities Marine Consortium		95,373

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
Research and Development Cluster: (Cont.)		
Parallel and Distributed Evaluation, Visualization and Reasoning to Advanced Distributed Interactive Simulation Technology	DAAH04-95 1-0250	
Direct Awards:		
Grambling State University		$1,458,544
Penetrating the International Market for Small Ships - Fixed Price Contract	BO1074	
Through: AWSC Consortium		
LSU and A&M College (Baton Rouge)		30,000
Predictive Intelligence Military Tactical Analysis System	DAAH04-93-G-0498	
Direct Awards:		
LSU and A&M College (Baton Rouge)		(1,843)
Rapid-GC Subsystem to OSC - Fixed Price Contract	306711	
Through: Orbital Sciences Corporation		
LSU and A&M College (Baton Rouge)		9,300
Rapid-GC Subsystem to OSC - Fixed Price Contract	306702	
Through: Orbital Sciences Corporation		
LSU and A&M College (Baton Rouge)		31,450
Regional Technology Alliance for High Aspect Ratio Micro Electro Mechanical Systems	Unknown	
Through: MCNC		
LSU and A&M College (Baton Rouge)		574,945
Repair of Hand Held GC - Fixed Price Contract	C06810	
Through: IIT Research Institute		
LSU and A&M College (Baton Rouge)		9,805
Research and Analytical Support for the Development of Geographic Information - Fixed Price Contract	DO#15	
Through: Gulf Engineers and Consultants, Inc.		
LSU and A&M College (Baton Rouge)		9,831
Research and Engineering Apprenticeship Program	Subgrant #586	
Through: Academy of Applied Science		
Louisiana Tech University		2,500

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
Research and Development Cluster: (Cont.)		
Reservoir Tailwaters Water Quality Studies - Fixed Price Contract	DACW39-96-M-1761	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$2,470
Restructuring Complex Program Fragments into Smaller Cohesive Units	MDA904-96-C-0301	
Direct Awards:		
University of Southwestern Louisiana		79,389
Scientific Assistance to Louisiana Coastal Conservation/Restoration Task Force	Unknown	
Direct Awards:		
Louisiana Universities Marine Consortium		22,065
Scientific Services Agreement	DAAL03-91-C-0034	
Through: Battelle, Incorporated		
University of New Orleans		43,068
Security in Dynamically Reconfigured MLS Distribution System	MDA904-94-C-6112	
Direct Awards:		
Louisiana Tech University		10,253
Signal Processing, Scattering, and Modeling Studies for Underwater Acoustics and Seafloor Geophysics	N00014-95-1-G922	
Direct Awards:		
University of New Orleans		206,898
Single Charge Tunneling in Nanosize Semiconductor Junction Arrays	DAAH04-94-G-0333	
Direct Awards:		
LSU and A&M College (Baton Rouge)		109,485
Solidification/Stabilization Treatability Study	PS-024288/J#02887-47	
Through: Stone and Webster Engineering Corporation		
LSU and A&M College (Baton Rouge)		(221)
Solidification/Stabilization Treatability Study - Fixed Price Contract	PS-024288/J#02887-47	
Through: Stone and Webster Engineering Corporation		
LSU and A&M College (Baton Rouge)		34,632
Stochastic Analysis and Applications	DAAH04-94-G-0249	
Direct Awards:		
LSU and A&M College (Baton Rouge)		51,891

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
Research and Development Cluster: (Cont.)		
Student Support for Parallel Processing of Sound Wave Propagation	N00014-94-1-0847	
Direct Awards:		
University of New Orleans		$15,052
Study of Projectile Nose Erosion	DACA39-96-M-1557	
Direct Awards:		
Louisiana Tech University		18,170
Synthesis and Characterization of PZT/Silicon Mems Device	C97-5113-013	
Through: MCNC		
LSU and A&M College (Baton Rouge)		12,477
Title IV of Intergovernmental Personnel Act of 1990: Naval Oceanographic Office Agreement	N6230694MD40017	
Direct Awards:		
University of New Orleans		64,526
U.S. Army: Clinical Chemistry	DAMD17-97-2-7013	
Direct Awards:		
Pennington Biomedical Research Center		40,259
U.S. Army: Determination of Total Daily Energy Requirements and Activities	DAMD17-96-2-6025	
Direct Awards:		
Pennington Biomedical Research Center		119,551
U.S. Army: Graduate Education in Nutritional Aspects of Stable Isotope	DAAH04-93-G-0298	
Direct Awards:		
Pennington Biomedical Research Center		26,621
U.S. Army: Immune Function and Nutrition	DAMD17-97-2-7013	
Direct Awards:		
Pennington Biomedical Research Center		22,384
U.S. Army: In-Patient Research	DAMD17-92-V-2009	
Direct Awards:		
Pennington Biomedical Research Center		1
U.S. Army IPA - Allen	IPA-ALLEN	
Direct Awards:		
LSU and A&M College (Baton Rouge)		11,707

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
Research and Development Cluster: (Cont.)		
U.S. Army IPA - Day	IPA-DAY	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$36,469
U.S. Army IPA - Suhayda	IPA-SUHAYDA	
Direct Awards:		
LSU and A&M College (Baton Rouge)		30,682
U.S. Army IPA - Kemp	IPA-KEMP	
Direct Awards:		
LSU and A&M College (Baton Rouge)		26,467
U.S. Army: Menu Database	DAMD17-97-2-7013	
Direct Awards:		
Pennington Biomedical Research Center		2,218
U.S. Army: Menu Modification	DAMD17-97-2-7013	
Direct Awards:		
Pennington Biomedical Research Center		29,524
U.S. Army: Metabolic Kitchen	DAMD17-92-V-2009	
Direct Awards:		
Pennington Biomedical Research Center		35,838
U.S. Army: Military Nutrition Research	DAMD17-92-V-2009	
Direct Awards:		
Pennington Biomedical Research Center		2,442,117
U.S. Army: Neurosciences	DAMD17-97-2-7013	
Direct Awards:		
Pennington Biomedical Research Center		6,843
U.S. Army: Nutrition and Exercise	DAMD17-97-2-7013	
Direct Awards:		
Pennington Biomedical Research Center		27,604
U.S. Army: Stable Isotope	DAMD17-97-2-7013	
Direct Awards:		
Pennington Biomedical Research Center		27,381

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF DEFENSE (CONT.)		
Research and Development Cluster: (Cont.)		
U.S. Army: Task Coordination	DAMD17-97-2-7013	
Direct Awards:		
Pennington Biomedical Research Center		$17,347
Use of Microgc with HP MSD for Onsite Analyses of CWA Schedule Chemicals	Unknown	
Through: IIT Research Institute		
LSU and A&M College (Baton Rouge)		32,492
Water Quality Factors Affecting Iron and Manganese Oxidation	DACW39-95-K-0051	
Direct Awards:		
LSU and A&M College (Baton Rouge)		15,551
Subtotal Research and Development Cluster		24,703,864
Total U.S. Department of Defense		$42,270,448
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Community Development Block Grants/State's Program	14.228	
Direct Awards:		
Executive Department		$38,135,678
Emergency Shelter Grants Program	14.231	
Direct Awards:		
Department of Social Services		1,248,865
Historically Black Colleges and Universities Program	14.237	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		134,860
Southern University at New Orleans		57,103
Subtotal Historically Black Colleges and Universities Program		191,963
Shelter Plus Care	14.238	
Direct Awards:		
Department of Health and Hospitals		129,172
Opportunities for Youth - Youthbuild Program	14.243	
Direct Awards:		
Northeast Louisiana University		47,912

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONT.)		
Fair Housing Assistance Program-State and Local	14.401	
Direct Awards:		
Department of Justice		$153,380
Community Development Work-Study Program	14.512	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		46,158
Public and Indian Housing Drug Elimination Program	14.854	
Direct Awards:		
Northeast Louisiana University		*14,429*
Through: Monroe Housing Authority		
Northeast Louisiana University		90,062
Subtotal Public and Indian Housing Drug Elimination Program		104,491
Community Development Block Grant Program	7692	
Through: City of New Orleans		
University of New Orleans		8,623
Community Development Block Grant Program	50-115	
Through: City of New Orleans		
University of New Orleans		16,115
Community Development Block Grant Program	50-115 (93)	
Through: City of New Orleans		
University of New Orleans		10,098
Community Development Block Grant Program	50-139(95)	
Through: Loyola University		
University of New Orleans		1,665
HIV Housing Grant	LA48H	
Direct Awards:		
Office of Public Health		542,888
HUD/HBCU	B-94-5B-LA	
Direct Awards:		
Grambling State University		6,980
National Center for Revitalization of Central Cities	LA 485PG501	
Through: City of New Orleans		
University of New Orleans		629,378

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (CONT.)		
Youthbuild	Y-96-IM-LA-0156	
Direct Awards:		
Louisiana Technical College, Tallulah Campus		$175,742
CDBG-Entitlement and (HUD Administered) Small Cities Cluster:		
Community Development Block Grants/Entitlement Grants	14.218	
Direct Awards:		
Northeast Louisiana University		27,518
Research and Development Cluster:		
Monitoring Hope IV (Desire Housing Development)	H-21052SG	
Direct Awards:		
University of New Orleans		751
Total U.S. Department of Housing and Urban Development		$41,477,377
U.S. DEPARTMENT OF INTERIOR		
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250	
Direct Awards:		
Department of Natural Resources		$174,695
Abandoned Mine Land Reclamation (AMLR) Program	15.252	
Direct Awards:		
Department of Natural Resources		119,170
Sport Fish Restoration	15.605	
Direct Awards:		
Grambling State University		332
Department of Wildlife and Fisheries		1,466,816
Subtotal Sport Fish Restoration		1,467,148
Migratory Bird Banding and Data Analysis	15.606	
Direct Awards:		
Department of Wildlife and Fisheries		262,602
Fish and Wildlife Management Assistance	15.608	
Direct Awards:		
Southern University and A&M College		87,110

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Wildlife Restoration	15.611	
Direct Awards:		
Department of Wildlife and Fisheries		$48,727
Endangered Species Conservation	15.612	
Direct Awards:		
Department of Wildlife and Fisheries		835,019
Coastal Wetlands Planning, Protection and Restoration Act	15.614	
Direct Awards:		
Department of Wildlife and Fisheries		20,000
Wildlife Conservation and Appreciation	15.617	
Direct Awards:		
Department of Wildlife and Fisheries		69,229
Earthquake Hazards Reduction Program	15.807	
Direct Awards:		
Department of Natural Resources		1,100
Geological Survey - Research and Data Acquisition	15.808	
Direct Awards:		
Department of Natural Resources		69,794
Historic Preservation Fund Grants-In-Aid	15.904	
Direct Awards:		
Department of Culture, Recreation and Tourism		747,496
Outdoor Recreation - Acquisition, Development and Planning	15.916	
Direct Awards:		
Department of Culture, Recreation and Tourism		126,778
Breeding Bird Atlas	*P1-1*	
Direct Awards:		
Department of Wildlife and Fisheries		1,133
Dire Emergency Appropriation Fund - Assessment of Impact of Hurricane Andrew on Avian Species on ADWMA	W64-1	
Direct Awards:		
Department of Wildlife and Fisheries		49

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Dire Emergency Appropriation Fund - Assessment of Impact of Hurricane Andrew on Coastal Wetlands	W63-1	
Direct Awards:		
Department of Wildlife and Fisheries		$137,173
Dire Emergency Appropriation Fund - Fisheries Habitat Restoration	F82-1	
Direct Awards:		
Department of Wildlife and Fisheries		709,130
Dire Emergency Appropriation Fund - Maintenance and Expansion of Booker-Fowler Hatchery	F80-1	
Direct Awards:		
Department of Wildlife and Fisheries		1,985,189
Dire Emergency Appropriation Fund - Terrebonne Barrier Islands Refuge Waterbird Nesting Site Restoration	W62-1	
Direct Awards:		
Department of Wildlife and Fisheries		13,984
Historic Preservation - Survey and Planning	0143-002-665	
Direct Awards:		
Department of Culture, Recreation and Tourism		6,666
Mineral Management Service		
Direct Awards:		
Department of Natural Resources	14-35-02-96-CA-40281	87,631
Department of Wildlife and Fisheries	1435-01-96-CA-30835	10,567
Subtotal Mineral Management Service		98,198
National Park Service - Cooperative Agreements		
Direct Awards:		
Northwestern State University:		
Jean Lafitte Park	CA 7029-4 00013	1,776
Cane River Park	CA 7029-4 00013 Mod. 1	934
Reap Study	CA 7029-4 00013 Mod. 2	19,177
Training Conference on Historic Transportation Corridors	1443 CA 192022	3,105
Administration	14430CA 0001 94038 Mod. 4	333
Meeting Support	14430CA 0001 94038 Mod. 5	37
Internships	14430CA 0001 94038 Mod. 6	1,202
Computer Equipment	14430CA 0001 94038 Mod. 7	1,257

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
National Park Service - Cooperative Agreements (Cont.)		
Direct Awards: (Cont.)		
Northwestern State University: (Cont.)		
NCPTT Information	14430CA 0001 94038 Mod. 9	$24,138
Administration	14430CA 0001 94038 Mod. 10	62,876
Interns/Meetings	*14430CA 0001 94038 Mod.11*	56,417
Subtotal National Park Service		171,252
Status and Conservation of Box Turtle	1448-0009-95-1343	
Direct Awards:		
Department of Wildlife and Fisheries		10,000
Workshop on Issues Surrounding Deepwater Oil and Gas Development	1435-01-97-CA-30855	
Direct Awards:		
LSU and A&M College (Baton Rouge)		15,247
Research and Development Cluster:		
Fishery Research - Information	15.604	
Direct Awards:		
LSU Agricultural Center		(2,933)
Sport Fish Restoration	15.605	
Through: Research Corporation of the University of Hawaii		
LSU and A&M College (Baton Rouge)		51,541
Southeastern Louisiana University		27,160
Department of Wildlife and Fisheries		1,780,841
Wildlife Restoration	15.611	
Direct Awards:		
Grambling State University		17,846
Department of Wildlife and Fisheries		2,378,058
Endangered Species Conservation	15.612	
Direct Awards:		
Southeastern Louisiana University		7,990
Department of Wildlife and Fisheries		333
Through: Mississippi Department of Wildlife, Fisheries, and Parks		
Southeastern Louisiana University		20,962
Assistance to State Water Resources Research Institutes	15.805	
Direct Awards:		
LSU and A&M College (Baton Rouge)		73,439

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Research and Development Cluster: (Cont.)		
National Water Resources Research Program	15.806	
Direct Awards:		
Louisiana Universities Marine Consortium		$26,232
Geological Survey - Research and Data Acquisition	15.808	
Direct Awards:		
LSU Agricultural Center		1,200
LSU and A&M College (Baton Rouge)		13,171
Historic Preservation Fund Grants-In-Aid	15.904	
Direct Awards:		
LSU and A&M College (Baton Rouge)		38,755
Southeastern Louisiana University		2,851
National Center for Preservation Technology and Training	15.923	
Direct Awards:		
LSU and A&M College (Baton Rouge)		17,350
Aerial Video Survey Contract	1435-01-96-CA-30836	
Through: Texas General Land Office		
LSU and A&M College (Baton Rouge)		10,553
Assessment of Hurricane Andrew Damage to Wild Mammals in Bottomland Hardwoods Forests	14-45-0009-1561 #25	
Direct Awards:		
LSU Agricultural Center		(60)
Assessment of Path Composition of Diesel Fuels Absorbed to Marine Sediments	30660/#19919	
Direct Awards:		
LSU and A&M College (Baton Rouge)		3,428
Atlas of Satellite Imagery of the NE Gulf of Mexico - Fixed Price Contract	1245-223-L3-B/572541	
Through: University of South Florida		
LSU and A&M College (Baton Rouge)		1,250
Biodegradation of Aromatic Hetercycles from Petroleum Produced Water and Pyroge	30660/#19920	
Direct Awards:		
LSU and A&M College (Baton Rouge)		10,850

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Research and Development Cluster: (Cont.)		
Biomediation of Spilled Hydrocarbons: The Selection and Survival	30660/#19921	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$58,542
Characterization of Algal-Invertebrate Mats at CMI Study	30660/#19932	
Direct Awards:		
LSU and A&M College (Baton Rouge)		88,700
Coastal Currents of the Northern Gulf of Mexico	30660/#19928	
Direct Awards:		
LSU and A&M College (Baton Rouge)		27,405
Coastal Erosion and Bathymetric Changes	1434-95-A-01338	
Direct Awards:		
LSU and A&M College (Baton Rouge)		(3,239)
Coastal Marine Environmental Modeling	30660/#19917	
Direct Awards:		
LSU and A&M College (Baton Rouge)		42,653
Commuting, Migration, and Offshore Oil/Gas Extraction	30660/#19939	
Direct Awards:		
LSU Agricultural Center		43,030
A Comparative Study of the Ecology and Behavior of the Northern Parula	1434HQ97RU01561 #40	
Direct Awards:		
LSU Agricultural Center		19,599
Crucial Sediment Delivery Processes within a Marsh Hydrologic Restoration Process	1445-0004-95-9161	
Direct Awards:		
Louisiana Universities Marine Consortium		32,229
Design and Development of an Environmental Geographic Information System to Support Oil Spill Contingency	30660/#19933	
Direct Awards:		
LSU and A&M College (Baton Rouge)		115,883
Development and Evaluation of Survey Methods for Common Moorehens, Purple Gaullinule	1434HQ97RU01561 #32	
Direct Awards:		
LSU Agricultural Center		23,521

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Research and Development Cluster: (Cont.)		
Development and Application of a Sublethal Toxicity Test	30660/#19905	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$9,483
Development of a Data and Information Management System for Barrataria/Terrebonne	*1434HQ97RU01561 #34*	
Direct Awards:		
LSU Agricultural Center		7,712
Development of Bioremediation for Oil Spill Cleanup in Coastal Wetlands	30660/#19909	
Direct Awards:		
LSU and A&M College (Baton Rouge)		44,662
Development and Characteristics of Sea Anemones as Bioindicators of Offshore Reefs	30660/#19916	
Direct Awards:		
LSU and A&M College (Baton Rouge)		64,103
Development of Improved Procedures for Detecting and Handling Underground Blow-Outs	14-35-0001-30749	
Direct Awards:		
LSU and A&M College (Baton Rouge)		472,465
Development of a Regional Conservation Conference and Related Preservation/Conversion	1433 CA 000195021	
Direct Awards:		
LSU and A&M College (Baton Rouge)		37,500
Digital High Resolution Acoustic Data for Improved Benthic Habitat/Geohazard	30660/#19910	
Direct Awards:		
LSU and A&M College (Baton Rouge)		87,976
Dire Emergency Appropriation Fund - Atchafalaya River Basin Hydro Management Plan	F81-1	
Direct Awards:		
Department of Wildlife and Fisheries		344,543
Dire Emergency Appropriation Fund - Attakapas Island WMA Reforestation Project	W61-1	
Direct Awards:		
Department of Wildlife and Fisheries		173,380

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Research and Development Cluster: (Cont.)		
Dire Emergency Appropriation Fund - Fisheries Recovery in Atchafalaya Basin	F83-1	
Direct Awards:		
Department of Wildlife and Fisheries		$94,813
Dire Emergency Appropriation Fund - Response of Deer and Deer Habitat to Hurricane Andrew	W60-1	
Direct Awards:		
Department of Wildlife and Fisheries		18,365
Distribution, Productivity, and Recruitment of Black Bear in the Atchafalaya	1434HQ97RU01561 #46	
Direct Awards:		
LSU Agricultural Center		2,646
Distribution of Freshwater Mussels in Relation to Water Quality in Three Tributaries - Fixed Price Contract	1434-CR-97-SA-00157	
Direct Awards:		
LSU and A&M College (Baton Rouge)		5,700
Distributions and Dynamics of Louisiana Black Bears in the Atchafalaya River	14-45-0009-1561 #29	
Direct Awards:		
LSU Agricultural Center		1,733
Drifter Study in the Mississippi River Plume	14-35-0001-30724	
Direct Awards:		
LSU and A&M College (Baton Rouge)		58,339
Ecological Research Support of Activities of the CWPPRA	Task 5, 14-45-0009-94-1048	
Direct Awards:		
University of Southwestern Louisiana		10,750
Effects of Deep Tillage on Herbaceous and Woody Vegetation at Catahoula Lake	1434HQ97RU0156 #20	
Direct Awards:		
LSU Agricultural Center		3,428
Effects of Hurricane Andrew on Old and Second Growth Stands of South Florida - Fixed Price Contract	CA5280-4-9005	
Direct Awards:		
LSU and A&M College (Baton Rouge)		137,624

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Research and Development Cluster: (Cont.)		
The Effects of Simultaneous Exposure to Petroleum Hydrocarbons	30660/#19914	
Direct Awards:		
LSU and A&M College (Baton Rouge)		($1,132)
An Environmental Geographic Information System to Support Oil Spill Contingency	30660/#19901	
Direct Awards:		
LSU and A&M College (Baton Rouge)		33,846
Environmental Impact Statement to Support Phase 1 of the Louisiana Barrier Island Study	14-35-0001-30800	
Direct Awards:		
LSU and A&M College (Baton Rouge)		65,021
Environmental Research Facility	14-45-0009-1048	
Direct Awards:		
University of Southwestern Louisiana		21,725
Establishment of Rivers, Trails and Conservation Assistance Programs	CA7029-3-0003	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,099
Estimates of Late Cenozoic Sea-Surface Temp Using Quantitative Analysis of Plankton Fora	1434-96-AG-01568	
Direct Awards:		
University of Southwestern Louisiana		15,927
Evaluating and Collecting Acid Precipitation as a Part of IR-7 - Fixed Price Contract	1434-HQ-97-SA-00111	
Direct Awards:		
LSU Agricultural Center		1,300
An Evaluation of Alternate Sampling Strategies for the Migratory Bird Harvest	1434HQ97RU01561 #18	
Direct Awards:		
LSU Agricultural Center		23,946
Evaluation of Factors Affecting Habitat Quality for Birds in Important Southern States	1434HQ97RU01561 #35	
Direct Awards:		
LSU Agricultural Center		9,277

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Research and Development Cluster: (Cont.)		
The Fate and Effects of Barium and Radium-Rich Fluid Emissions	Unknown	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$11,022
Fish Community Variations Associated with Hydrologic Features in the Lower Atchafalaya	1434HQ97RU01561 #36	
Direct Awards:		
LSU Agricultural Center		58,349
Forecasting the Number, Type, and General Location of the Platforms to be Removed	30660/#19934	
Direct Awards:		
LSU and A&M College (Baton Rouge)		4,796
A Gap Analysis of Louisiana: Predicting Distributions of Terrestrial Vertebrates	1434HQ97RU01561 #24	
Direct Awards:		
LSU Agricultural Center		41,533
Geological Framework and Processes Affecting Coastal Louisiana	1434-95-A-01338	
Direct Awards:		
LSU and A&M College (Baton Rouge)		2,559
Geologic Framework and Process Affecting Coastal Land Loss and Environmental Quality	1434-95-A-01338	
Direct Awards:		
LSU and A&M College (Baton Rouge)		103,629
Geologic Map - Fort Polk Area in Western Louisiana	1434-HQ-96-AG-01535	
Direct Awards:		
LSU and A&M College (Baton Rouge)		5,187
Geologic Processes in Southeastern Louisiana	14-08-0001-A0917	
Direct Awards:		
LSU and A&M College (Baton Rouge)		60,735
Geographic Information System Application to Three Dimensional Historical Mapping	14-45-0009-1561 #37	
Direct Awards:		
LSU Agricultural Center		63,900

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Research and Development Cluster: (Cont.)		
GIS Application to Historical Physiographic Changes and Habitat Succession	1434HQ97RU01561 #44	
Direct Awards:		
LSU Agricultural Center		$14,889
Gulf of Mexico Exclusive Economic Zone Evaluations	14-12-0001-30404	
Direct Awards:		
LSU and A&M College (Baton Rouge)		(3,701)
Gulf of Mexico Region Information Transfer Meeting	14-35-1-30665	
Direct Awards:		
University of New Orleans		56,842
Habitat Use by Neartic-Neotropical Migrant Songbirds at Big Bend National Park	1434HQ97RU01561 #41	
Direct Awards:		
LSU Agricultural Center		56,099
Historical Reconstruction of Contaminant Loading and Biological Responses	30660/#19930	
Direct Awards:		
LSU and A&M College (Baton Rouge)		79,088
Hurricane Andrew Impacts	14-08-0001-A0917	
Direct Awards:		
LSU and A&M College (Baton Rouge)		38,193
The Impact of Fragmentation and Changing Land Use Dynamics on the Preservation, Restoration, and Management of Genetic Diversity	14-45-0009-94-1048, Task #1	
Direct Awards:		
University of Southwestern Louisiana		9,595
Impacts on Lake Pontchartrain From an Experimental Release of the Mississippi River	14-45-0009-1561 #28	
Direct Awards:		
LSU Agricultural Center		(17,501)
Improved Procedures for Cryopreservation of Fish Sperm	14-45-0009-1561 #42	
Direct Awards:		
LSU Agricultural Center		25,000

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Research and Development Cluster: (Cont.)		
Improved Procedures for Cryopreservation of Fish Sperm	1434HQ97RU01561 #45	
Direct Awards:		
LSU Agricultural Center		$5,003
Interpretative Syntheses of Latex Shelf and Slope Circulation	30660/#19942	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,035
Inventory of Avifauna at Longhorn Army Ammunitions Plant	FWS1448-00002-94-0830	
Direct Awards:		
LSU in Shreveport		1,422
LA/Texas Physical Oceanography Program	14-35-0001-30632	
Direct Awards:		
LSU and A&M College (Baton Rouge)		179,455
Louisiana Coastal Erosion Study - Geologic Process in Lake Pontchartrain Basin	14-08-0001-A0917	
Direct Awards:		
LSU and A&M College (Baton Rouge)		(74)
Louisiana Coastal Erosion Study - Geologic Process in Western Louisiana, Phase II	14-08-0001-A0917	
Direct Awards:		
LSU and A&M College (Baton Rouge)		(92)
Louisiana Coastal Erosion Study - Hurricane Andrew Impacts, Phase II	14-08-0001-A0917	
Direct Awards:		
LSU and A&M College (Baton Rouge)		(1,402)
LA/Texas Shelf Circulation and Transport Process Study	S200020/481001-10009	
Through: Texas A&M Research Foundation		
LSU and A&M College (Baton Rouge)		52,958
Lease Abandonment: Technology, Environmental Effects and Regulation	14-35-0001-30794	
Direct Awards:		
LSU and A&M College (Baton Rouge)		46,384
Legal Services for the U.S. National Park Service - Fixed Price Contract	1443PX509096165	
Direct Awards:		
LSU and A&M College (Baton Rouge)		800

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Research and Development Cluster: (Cont.)		
LSU Coastal Marine Institute Management	30660/#19918	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$29,590
LSU Work (Corridor Management) Plan for the Creole Nature Trail	CA-5090-9-9003/1	
Direct Awards:		
LSU and A&M College (Baton Rouge)		2,582
Measurements of Meterology and Air Quality on Breton Island	30660/#19925	
Direct Awards:		
LSU and A&M College (Baton Rouge)		112,894
Monitoring of Wave/Current Interactions and Sand Transportation	CA-5320-5-9052	
Direct Awards:		
LSU and A&M College (Baton Rouge)		38,794
Movement, Habitat Preferences and Current Status of Pallid Sturgeon	14-45-0009-1561 #22	
Direct Awards:		
LSU Agricultural Center		12,788
Natchez Bluff Recreation and Historic Area - Fixed Price Contract	1443PX509096163	
Direct Awards:		
LSU and A&M College (Baton Rouge)		2,500
National Water Resources Program	14-35-001-30690	
Direct Awards:		
McNeese State University		43,545
Neotropical Bird Use and Reproductive Performance with Habitat Correlation and Management - Fixed Price Contract	1448-0004-96-023	
Direct Awards:		
LSU Agricultural Center		75,000
Neotropical Bird Use With Habitat Correlation	Unknown	
Direct Awards:		
LSU Agricultural Center		37,496
Nocturnal Movements Habitat Use and Survival of Female Northern Pintails	14-45-0009-1561 #13	
Direct Awards:		
LSU Agricultural Center		(242)

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Research and Development Cluster: (Cont.)		
A Numerical Model Study of the Gulf of Mexico Under Present and Past Environments	30660/#19908	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$5,544
An Observational and Predictive Study of Inner Shelf Currents Over the Texas/Louisiana Shore	30660/#19943	
Direct Awards:		
LSU and A&M College (Baton Rouge)		434
Oil and Gas Development and Coastal Income Inequality: Case Studies at Place Level	30660/#19929	
Direct Awards:		
LSU Agricultural Center		20,562
Overwater Characteristics of SO_2 From Energy Production in the Gulf of Mexico	30660/#19912	
Direct Awards:		
LSU and A&M College (Baton Rouge)		494
Palynological Analysis of Cores From the Mississippi Delta Vermilion Bay Area - Fixed Price Contract	1434-HQ-96-SA-01028	
Direct Awards:		
LSU and A&M College (Baton Rouge)		8,954
Phytolith Analysis of Cores From the Mississippi Delta Vermilion Bay Area - Fixed Price Contract	1434-HQ-96-SA-01029	
Direct Awards:		
LSU and A&M College (Baton Rouge)		2,055
Population Dynamics of Louisiana Black Bear	1448-0004-96-961	
Direct Awards:		
LSU Agricultural Center		9,998
Postlarval and Juvenile Fish Nursery Ground/Refugia Function	30660/#19926	
Direct Awards:		
LSU and A&M College (Baton Rouge)		149,174
The Potential for Accelerated Bioremediation and Restoration	30660/#19927	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,418

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Research and Development Cluster: (Cont.)		
A Pressure Gauge and Moored CTD Array Along the Louisiana Coastal Current	30660/#19922	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$17,420
Process Studies, Skill Assessment, and Data Management Coastal Ocean Models	Unknown	
Through: Dynalysis of Princeton		
LSU and A&M College (Baton Rouge)		65,636
Recovery of Mangrove Ecosystems	CA5280-7-9013	
Direct Awards:		
University of Southwestern Louisiana		34,286
Restoration of Bald Cypress in Areas Subjected to Saltwater Intrusion	1445-0004-95-9104	
Direct Awards:		
LSU Agricultural Center		12,815
Role of Bottom Sediment Redox-Chemistry Near Oil Production Facilities	30660/#19907	
Direct Awards:		
LSU and A&M College (Baton Rouge)		29,377
Seasonal and Spatial Variations in the Biomass and Size Frequency Distribution of Fish	30660/#19915	
Direct Awards:		
LSU and A&M College (Baton Rouge)		119,453
Sediment and Nutrient Availability in the Vicinity of the Brady Canal Restoration	1445-0004-95-9142	
Direct Awards:		
LSU and A&M College (Baton Rouge)		16,267
A Socioeconomic Analysis of the Post Expansion of Port Fourchon	30660/#19945	
Direct Awards:		
LSU and A&M College (Baton Rouge)		8,336
Socioeconomic Baseline Study for the Gulf of Mexico	30660/#19913	
Direct Awards:		
LSU and A&M College (Baton Rouge)		5,569

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Research and Development Cluster: (Cont.)		
SOS Louisiana	1443-CA-0001-95-021	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$3,264
Through: National Institute for the Conservation of Cultural		
LSU and A&M College (Baton Rouge)		8,028
Studying and Verifying the Use of Chemical Biomarkers	30660/#19933	
Direct Awards:		
LSU and A&M College (Baton Rouge)		20,300
Survey of Avian Use, Productivity, and Survivorship in Harvested or Planted Bottomland	1434HQ97RU01561 #39	
Direct Awards:		
LSU Agricultural Center		38,553
Survey of Avian Use, Productivity, and Survivorship of Birds in Selected Bottomlands	14-45-0009-1561 #33	
Direct Awards:		
LSU Agricultural Center		28,312
Survey of Habitats and Avian Abundance in Important Southern Forested Wetlands	14-45-0009-1561 #30	
Direct Awards:		
LSU Agricultural Center		2,478
A Survey of Tunica Hills for Black Bear	*14-45-0009-1561 #27*	
Direct Awards:		
LSU Agricultural Center		2,332
Sustainable Socioeconomic Development in Oil and Gas Countries, A Case Study	30660/#19941	
Direct Awards:		
LSU Agricultural Center		31,519
Synthesis of Hard Mineral Resources on the Florida Panhandle - Fixed Price Contract	1435-01-96-CT-30812	
Direct Awards:		
LSU and A&M College (Baton Rouge)		23,695
Task Orders 6, 7, 8, 9	14-45-CA09-95-0116	
Direct Awards:		
University of Southwestern Louisiana		159,933

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF INTERIOR (CONT.)		
Research and Development Cluster: (Cont.)		
Tracing Food-Web Connections With Hydrocarbon Seepage	S700027/634851-14001	
Through: Texas A&M Research Foundation		
LSU and A&M College (Baton Rouge)		$1,602
Variations in Fishes and Commercial Crustaceans Associated		
With the Flood Pulse	1434HQ97RU01561 #43	
Direct Awards:		
LSU Agricultural Center		13,132
Wave Climate Modeling and Evaluation Relative to Sand Mining		
on Ship Shoal, Offshore	30660/#19911	
Direct Awards:		
LSU and A&M College (Baton Rouge)		48,870
Workshop on Issues Surrounding Deepwater Oil and Gas Development	1435-01-97-CA30855	
Direct Awards:		
LSU and A&M College (Baton Rouge)		15,515
Subtotal Research and Development Cluster		8,836,346
Total U.S. Department of Interior		$16,013,235
U.S. DEPARTMENT OF JUSTICE		
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	
Direct Awards:		
Executive Department		$849,328
Juvenile Justice and Delinquency Prevention - Special Emphasis	16.541	
Direct Awards:		
Department of Public Safety and Corrections - Corrections Services		68,767
Title V - Delinquency Prevention Program	16.548	
Direct Awards:		
Executive Department		292,891
State Justice Statistics Program for Statistical Analysis Centers	16.550	
Direct Awards:		
Executive Department		51,422

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF JUSTICE (CONT.)		
Criminal Justice Research and Development - Graduate Research Fellowships	16.562	
Through: Justice Research Statistics Association		
Executive Department		$3,000
State Criminal Alien Assistance Program	16.572	
Direct Awards:		
Department of Public Safety and Corrections - Corrections Services		398,808
Crime Victim Assistance	16.575	
Direct Awards:		
Executive Department		1,568,969
Crime Victim Compensation	16.576	
Direct Awards:		
Executive Department		203,990
Byrne Formula Grant Program	16.579	
Direct Awards:		
Executive Department		8,204,518
Violence Against Women Formula Grants	16.588	
Direct Awards:		
Executive Department		121,198
Residential Substance Abuse Treatment for State Prisoners	16.593	
Direct Awards:		
Executive Department		108
Public Safety Partnership and Community Policing Grants	16.710	
Direct Awards:		
Orleans Levee District		113,955
Southern University at New Orleans		6,325
Subtotal Public Safety Partnership and Community Policing Grants		120,280
Asset Forfeiture Program	Unknown	
Direct Awards:		
Department of Military Affairs		38,344
Domestic Cannabis Eradication/Suppression Program	96-27	
Direct Awards:		
Department of Public Safety and Corrections - Public Safety Services		228,692

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF JUSTICE (CONT.)		
Domestic Cannabis Eradication/Suppression Program	97-51	
Direct Awards:		
Department of Public Safety and Corrections - Public Safety Services		$92,490
Federal Bureau of Investigation - Center of Advanced Support in Technology for Law Enforcement	Unknown	
Direct Awards:		
LSU and A&M College (Baton Rouge)		(23,764)
Federal Bureau of Investigation - Castle/Leo Phase II/III	*Unknown*	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,821,626
Federal Marshals	Unknown	
Direct Awards:		
Department of Military Affairs		572,578
Gulf Coast Drug Task Force	GCLAW	
Direct Awards:		
Department of Public Safety and Corrections - Public Safety Services		28,432
New Orleans Division Task Force	Unknown	
Direct Awards:		
Department of Public Safety and Corrections - Public Safety Services		6,909
Violent Criminal Organization Task Force	Unknown	
Direct Awards:		
Department of Public Safety and Corrections - Public Safety Services		10,457
Research and Development Cluster:		
Analysis of Juvenile Curfew as a Crime Prevention Measure for American Cities	95-IJ-CX-0024	
Direct Awards:		
University of New Orleans		38,530
Animal Model in Forensic Technology	94-IJ-CX-0039	
Direct Awards:		
Louisiana Tech University		58,002
Cape Canaveral, Florida Coastal Processes Assessment	S600102/432761 00001	
Through: Texas A&M Research Foundation		
LSU and A&M College (Baton Rouge)		35,173

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF JUSTICE (CONT.)		
Research and Development Cluster: (Cont.)		
Controlling the Avail of Firearms in the New Orleans Metropolitan Area	Unknown	
Through: City of New Orleans		
University of New Orleans		$42,815
Law Enforcement Coordinating Committee Training: Office of Community Oriented Policing Services	FE 6403XX	
Direct Awards:		
University of New Orleans		65,368
Law Enforcement Coordinating Committee Training: Office of Community Oriented Policing Services	150X0322	
Direct Awards:		
University of New Orleans		30,970
Upgrade the Effect of the New Orleans Police Department Homicide Investigation Section	Unknown	
Through: City of New Orleans		
University of New Orleans		10,551
Subtotal Research and Development Cluster		281,409
Total U.S. Department of Justice		$14,940,452
U.S. DEPARTMENT OF LABOR		
Labor Force Statistics	17.002	
Direct Awards:		
Department of Labor		$1,247,381
Compensation and Working Conditions Data	17.005	
Direct Awards:		
Department of Labor		67,917
Labor Certification for Alien Workers	17.203	
Direct Awards:		
Department of Labor		222,481
Employment Service	17.207	
Direct Awards:		
Department of Labor		13,065,694

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF LABOR (CONT.)		
Unemployment Insurance	17.225	
Direct Awards:		
Department of Labor		$172,810,457
Senior Community Service Employment Program	17.235	
Direct Awards:		
Office of Elderly Affairs		1,303,012
Northeast Louisiana University		290,371
Subtotal Senior Community Service Employment Program		1,593,383
Trade Adjustment Assistance - Workers	17.245	
Direct Awards:		
Department of Labor		569,609
Employment and Training Assistance - Dislocated Workers	17.246	
Direct Awards:		
Department of Labor		19,534,358
Through: City of New Orleans		
Louisiana Technical College, New Orleans Campus		165,243
Through: Ouachita Parish Police Jury		
Northeast Louisiana University		101,562
Subtotal Employment and Training Assistance - Dislocated Workers		19,801,163
Employment Services and Job Training - Pilot and Demonstration Program	17.249	
Direct Awards:		
Executive Department		259,073
Job Training Partnership Act	17.250	
Direct Awards:		
Department of Labor		42,558,427
Through: City of Baton Rouge		
LSU and A&M College (Baton Rouge)		65,993
Through: City-Parish of East Baton Rouge/Tangipahoa Parish Consortium		
LSU and A&M College (Baton Rouge)		164,033
Through: First Planning District		
University of New Orleans		30,932
Through: Jefferson Parish Office of Manpower Programs		
Louisiana Technical College, West Jefferson Campus		24,641
Through: Rapides Parish Police Jury		
LSU at Alexandria		47,817

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF LABOR (CONT.)		
Job Training Partnership Act (Cont.)	17.250	
Through: St. Landry Parish Consortium		
Louisiana Technical College, Evangeline Campus		$29,676
Louisiana Technical College, Teche Area Campus		2,900
Through: St. Landry Parish Police Jury		
LSU at Eunice		16,045
Louisiana Technical College, Charles B. Coreil Campus		50,759
Through: St. Landry Parish Private Industry Council		
Louisiana Technical College, Gulf Area Campus		69,276
Through: Tangipahoa Parish School Board		
LSU and A&M College (Baton Rouge)		134,780
Through: The Work Connection, Houma, Louisiana		
Louisiana Technical College, South Louisiana Campus		30,496
Subtotal Job Training Partnership Act		43,225,775
Consultation Agreements	17.504	
Direct Awards:		
Department of Labor		402,319
Disabled Veterans' Outreach Program (DVOP)	17.801	
Direct Awards:		
Department of Labor		942,562
Local Veterans' Employment Representative Program	17.804	
Direct Awards:		
Department of Labor		600,785
State Occupational Information Coordinating Council	E-9454621	
Direct Awards:		
Department of Labor		134,409
Total U.S. Department of Labor		$254,943,008
U.S. DEPARTMENT OF STATE		
Anti-Terrorism Training Program		
Direct Awards:		
LSU and A&M College (Baton Rouge)	Unknown	$176,882
Department of Public Safety and Corrections - Public Safety Services	1052-560160	330,195
Department of Public Safety and Corrections - Public Safety Services	1052-660160	2,125,152
Subtotal Anti-Terrorism Training Program		2,632,229

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF STATE (CONT.)		
Belarus Library Education and Librarianship Project	Unknown	
Through: International Research and Exchanges Board (IREX)		
LSU and A&M College (Baton Rouge)		$4,696
Crisis Response Team - Bolivia	132 ATA #1309	
Direct Awards:		
LSU and A&M College (Baton Rouge)		212,073
Crisis Response Team - Curriculum Review	151 ATA #1403	
Direct Awards:		
LSU and A&M College (Baton Rouge)		12,645
Crisis Response Team - Egypt	155 ATA #1493	
Direct Awards:		
LSU and A&M College (Baton Rouge)		233,920
Crisis Response Team - Israel	145 ATA #1446	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,500
Crisis Response Team - Israel - Bilingual Instructional Aid	177 ATA #1446	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,042
Crisis Response Team - Jordan	166 ATA #1311	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,500
Crisis Response Team - Macedonia	139 ATA #1469	
Direct Awards:		
LSU and A&M College (Baton Rouge)		201,994
Crisis Response Team - Test Run - One Week Modules	161 ATA #1623	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,500
Crisis Response Team - Training Services - Classroom	169 ATA #1403	
Direct Awards:		
LSU and A&M College (Baton Rouge)		346
Crisis Response Team - Tunisia	120 ATA #1109	
Direct Awards:		
LSU and A&M College (Baton Rouge)		204,022

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF STATE (CONT.)		
CRT Curriculum Review	137 ATA #1497	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$59,846
Development Meeting - Washington, D.C.	146 ATA #1403	
Direct Awards:		
LSU and A&M College (Baton Rouge)		10,783
Explosive Incident Countermeasurers	135 ATA #1467	
Direct Awards:		
LSU and A&M College (Baton Rouge)		303,769
Explosive Incident Countermeasurers - Bolivia	152 ATA #1320	
Direct Awards:		
LSU and A&M College (Baton Rouge)		304,191
Explosive Incident Countermeasurers - Cyprus	158 ATA #1453	
Direct Awards:		
LSU and A&M College (Baton Rouge)		304,458
Explosive Incident Countermeasurers - El Salvador	143 ATA #1499	
Direct Awards:		
LSU and A&M College (Baton Rouge)		300,543
Explosive Incident Countermeasurers - India	122 ATA #1115	
Direct Awards:		
LSU and A&M College (Baton Rouge)		290,868
Explosive Incident Countermeasurers - Turkey	129 ATA #297	
Direct Awards:		
LSU and A&M College (Baton Rouge)		309,289
Explosive Incident Countermeasurers - Venezuela	165 ATA #1479	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,500
Hostage Negotiation	162 ATA #1403	
Direct Awards:		
LSU and A&M College (Baton Rouge)		5,633
Hostage Negotiation Support of Crisis Management Exercises	170 ATA #1528	
Direct Awards:		
LSU and A&M College (Baton Rouge)		3,367

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF STATE (CONT.)		
Hostage Negotiations - Cyprus	141 ATA #1327	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$36,986
Hostage Negotiations - Israel	134 ATA #1473	
Direct Awards:		
LSU and A&M College (Baton Rouge)		36,986
Hostage Negotiations - Macedonia	156 ATA #1540	
Direct Awards:		
LSU and A&M College (Baton Rouge)		38,518
Hostage Negotiations - Malaysia	150 ATA #1324	
Direct Awards:		
LSU and A&M College (Baton Rouge)		36,730
Hostage Negotiations - Tunisia	130 ATA #1098	
Direct Awards:		
LSU and A&M College (Baton Rouge)		37,211
Hostage Negotiations -Turkey	144 ATA #1468	
Direct Awards:		
LSU and A&M College (Baton Rouge)		36,865
Hostage Negotiations - Thailand	164 ATA #1465	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,500
Instructor Training Services - A/T Urban Patrol - Peru	148 ATA #1139	
Direct Awards:		
LSU and A&M College (Baton Rouge)		157,024
Instructor Training Services - Crisis Management - Argentina	126 ATA #1109	
Direct Awards:		
LSU and A&M College (Baton Rouge)		207,382
Instructor Training Services - Explosive Incident Countermeasurers - India	147 ATA #1285	
Direct Awards:		
LSU and A&M College (Baton Rouge)		295,890

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF STATE (CONT.)		
Instructor Training Services - Senior Crisis Management - Jordan	125 ATA #1113	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$31,161
Instructor Training Services - Senior Crisis Management	124 ATA #1197	
Direct Awards:		
LSU and A&M College (Baton Rouge)		31,161
Louisiana Indonesia Rice Project	Unknown	
Through: U.S. - Asia Environmental Partnership and the Council of State Governments		
Department of Economic Development		52,668
Officer Survival Training Development Conference	176 ATA #1403	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,500
Post Blast Investigation - Bolivia	133 ATA #1466	
Direct Awards:		
LSU and A&M College (Baton Rouge)		88,129
Post Blast Investigation - Egypt	163 ATA #1368	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,500
Post Blast Investigation - India	121 ATA #1366	
Direct Awards:		
LSU and A&M College (Baton Rouge)		23,955
Post Blast Investigation - India	157 ATA #1366	
Direct Awards:		
LSU and A&M College (Baton Rouge)		87,710
Post Blast Investigation - Thailand	128 ATA #1253	
Direct Awards:		
LSU and A&M College (Baton Rouge)		83,733
Post Blast Investigation - Turkey	142 ATA #1130	
Direct Awards:		
LSU and A&M College (Baton Rouge)		88,250

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF STATE (CONT.)		
Pre-Training Assessment - Crisis Response Capabilities - Israel	123 ATA #1445	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$16,679
Role of Police in Managing a Crisis - Chile	160 ATA #1567	
Direct Awards:		
LSU and A&M College (Baton Rouge)		50,146
Role of Police in Managing a Crisis - Jordan	131 ATA #307	
Direct Awards:		
LSU and A&M College (Baton Rouge)		8,913
Role of Police in Managing a Crisis - Jordan	154 ATA #307	
Direct Awards:		
LSU and A&M College (Baton Rouge)		45,785
Role of Police in Managing a Crisis - Sri Lanka	159 ATA #1373	
Direct Awards:		
LSU and A&M College (Baton Rouge)		50,534
Role of Police in Managing a Crisis - Venezuela	167 ATA #1375	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,500
Rural Operations - Training Development Conference	178 ATA #1403	
Direct Awards:		
LSU and A&M College (Baton Rouge)		5,144
Senior Crisis Management - Chile	168 ATA #1376	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,500
Senior Crisis Management - Uruguay	138 ATA #1481	
Direct Awards:		
LSU and A&M College (Baton Rouge)		39,929
U.S. Agency for International Development - Aid/Bolivian Peace Scholar	404-0111	
Direct Awards:		
Southern University Board and System Administration		(105)
U.S. Agency for International Development - Democracy in Africa	IA-AEJL-G2190166	
Direct Awards:		
Southern University Board and System Administration		(113)

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF STATE (CONT.)		
U.S. Agency for International Development - Prim. Ed. Asst. Program	HCC-532-0126-01	
Direct Awards:		
Southern University Board and System Administration		($2,000)
U.S. Agency for International Development - Solar Box Cooker	58-319R-9R006	
Direct Awards:		
Southern University Board and System Administration		6,452
U.S. Agency for International Development - Zaire Rav II Project	I-U-76-01	
Direct Awards:		
Southern University Board and System Administration		492
U.S. Agency for International Development - Zambia-Dem In-Country	6230226A0040230	
Direct Awards:		
Southern University Board and System Administration		2,840,048
U.S. Agency for International Development - Zambia-Democratic Government	6230226A00402300	
Direct Awards:		
Southern University Board and System Administration		*505,994*
Research and Development Cluster:		
The Diary of Fedor V. Chizhov: An Annotated Edition	Unknown	
Through: Social Science Research Council		
LSU and A&M College (Baton Rouge)		1,000
U.S. Agency for International Development - Jimou Program Support	DAN5058GSS607800	
Direct Awards:		
Southern University Board and System Administration		522
U.S. Agency for International Development - Small Ruminants Sierra Leonne	1-7-76-01	
Direct Awards:		
Southern University Board and System Administration		(13,478)
Subtotal Research and Development Cluster		(11,956)
Total U.S. Department of State		$10,380,515

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF TRANSPORTATION		
Airport Improvement Program	20.106	
Direct Awards:		
Orleans Levee District		$947,056
Department of Transportation and Development		4,246,700
Subtotal Airport Improvement Program		5,193,756
Airway Science	20.107	
Direct Awards:		
Louisiana Tech University		5,496
Northeast Louisiana University		31,257
Subtotal Airway Science		36,753
Highway Planning and Construction	20.205	
Direct Awards:		
Department of Revenue		135,289
Department of Transportation and Development		238,693,696
Subtotal Highway Planning and Construction		238,828,985
Highway Training and Education	20.215	
Through: South Carolina State		
Southern University and A&M College (Baton Rouge)		34,967
Motor Carrier Safety Assistance Program	20.218	
Direct Awards:		
Department of Public Safety and Corrections - Public Safety Services		1,352,845
Local Rail Freight Assistance	20.308	
Direct Awards:		
Department of Transportation and Development		42,558
Federal Transit Grants for University Research and Training	20.502	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		133,935
Federal Transit Technical Studies Grants	20.505	
Direct Awards:		
Department of Transportation and Development		578,405

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF TRANSPORTATION (CONT.)		
Public Transportation for Nonurbanized Areas	20.509	
Direct Awards:		
Department of Transportation and Development		$2,438,757
Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	
Direct Awards:		
Department of Transportation and Development		779,842
State and Community Highway Safety	20.600	
Direct Awards:		
Department of Public Safety and Corrections - Public Safety Services		2,432,834
Pipeline Safety	20.700	
Direct Awards:		
Department of Natural Resources		339,115
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	
Direct Awards:		
Department of Public Safety and Corrections - Public Safety Services		15,953
Dwight D. Eisenhower Transportation Fellowship Program	DDEGRF-96-X-00401	
Direct Awards:		
LSU and A&M College (Baton Rouge)		20,696
Instructional and Support Services for the National Transit Institute	4-28633	
Through: Rutgers, The State University of New Jersey		
LSU and A&M College (Baton Rouge)		992
Instructional and Support Services for the National Transit Institute -		
Fixed Price Contract	4-28633	
Through: Rutgers, The State University of New Jersey		
LSU and A&M College (Baton Rouge)		24,000
Federal Capital Grants Cluster:		
Federal Transit Capital Improvements Grants	20.500	245,656
Direct Awards:		
Department of Transportation and Development		
Federal Transit Capital and Operating Assistance Formula Grants	20.507	
Direct Awards:		
Department of Transportation and Development		315,949
Subtotal Federal Capital Grants Cluster		561,605

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF TRANSPORTATION (CONT.)		
Instructional and Support Services for the National Transit Institute - Fixed Price Contract (Cont.)	4-28633	
Research and Development Cluster:		
Assessment of Market Demand for a Competitive High-Speed Family of Vessels	96-015	
Through: Swiftships, Inc.		
LSU and A&M College (Baton Rouge)		$51,933
Closed Loop Traffic Simulation Laboratory	P60972/ W/O: 4250T	
Through: Kaman Sciences		
LSU and A&M College (Baton Rouge)		81,018
Coast Guard Share of Administrative Cost of Zebra Mussel and Aquatic Species Conference - Fixed Price Contract	DTCG23-97-P-MM2075	
Direct Awards:		
LSU and A&M College (Baton Rouge)		5,000
Dwight D. Eisenhower Transportation Fellowship Program	DDEGRF-96-X-00401	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,514
Federal Highway Administration: Including All Deep Foundation Load Test Data and Soil and Site Investigations	DTFH61-96-X-00002	
Direct Awards:		
LSU and A&M College (Baton Rouge)		34,020
In Situ Testing at the National Geotechnical Experiment - Fixed Price Contract	DTFH61-96-C-00017	
Direct Awards:		
LSU and A&M College (Baton Rouge)		24,958
In Situ Testing at the National Geotechnical Experiment - Fixed Price Contract	DTFH61-97-0-00161	
Direct Awards:		
LSU and A&M College (Baton Rouge)		13,953
Intelligent Vehicle Highway Systems Research Centers at Excellence	L400032	
Through: Texas A&M Research Foundation		
LSU and A&M College (Baton Rouge)		32,348
The Maritime System of the Americas: Phase IV	DTMA91-93-G-00042	
Direct Awards:		
LSU and A&M College (Baton Rouge)		3,135

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF TRANSPORTATION (CONT.)		
Instructional and Support Services for the National Transit Institute -		
Fixed Price Contract (Cont.)	4-28633	
Research and Development Cluster: (Cont)		
Nondestructive Testing to Determine Institutional Material		
Properties of Pavement Lanes	HR10-44.003	
Through: Brent Rauhut Engineering, Inc.		
LSU and A&M College (Baton Rouge)		$141
Response Model to Disruption of Maritime Transportation	DTMA91-94-H-00019	
Direct Awards:		
LSU and A&M College (Baton Rouge)		14,268
Technical Support for Competitive High Speed Vessels	DTMA91-96-H-0001	
Through: Swiftships, Incorporated		
University of New Orleans		10,313
Subtotal Research and Development Cluster		272,601
Total U.S. Department of Transportation		$253,088,599
U.S. DEPARTMENT OF THE TREASURY		
Arson Church Fire Task Force	Unknown	
Direct Awards:		
Department of Public Safety and Corrections - Public Safety Services		$1,369
Arson/Explosives Investigations	Unknown	
Direct Awards:		
Department of Public Safety and Corrections - Public Safety Services		891
United States Customs	Unknown	
Direct Awards:		
Department of Public Safety and Corrections - Public Safety Services		23,026
Total U.S. Department of the Treasury		$25,286

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
EQUAL EMPLOYMENT OPPORTUNITY COMMISSION		
Employment Discrimination - State and Local Fair Employment		
Practices Agency Contracts	30.002	
Direct Awards:		
Executive Department		$770
Total Equal Employment Opportunity Commission		$770
GENERAL SERVICES ADMINISTRATION		
Donation of Federal Surplus Personal Property	*39.003*	
Direct Awards:		
Executive Department		$10,026,996
Total General Services Administration		$10,026,996
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION		
Aerospace Education Services Program	43.001	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$5,307
Southern University and A&M College (Baton Rouge)		66,911
Subtotal Aerospace Education Services Program		72,218
Technology Transfer	43.002	
Direct Awards:		
Northeast Louisiana University		22
Southern University and A&M College (Baton Rouge)		40,032
Southern University at New Orleans		25,606
Through: South Carolina State		
Southern University and A&M College (Baton Rouge)		7,500
Subtotal Technology Transfer		73,160
CSTEA HBCU Academic and Research Consortium	NCC-5197	
Through: Howard University		
Grambling State University		15,350
Louisiana Space Consortium - Laspace - Fellow - Ackman	NGT-40039	
Direct Awards:		
LSU and A&M College (Baton Rouge)		13,024

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
Louisiana Space Consortium - Laspace - Fellows - Clayton and Deines	NGT-40039	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$31,552
Louisiana Space Consortium - Laspace - Scholarships	NGT-40039	
Direct Awards:		
LSU and A&M College (Baton Rouge)		17,500
Marslink at LSU - Supplement to NAGW-1027, Superconductivity	NAGW-1027	
Direct Awards:		
LSU and A&M College (Baton Rouge)		(876)
NASA Undergraduate Student Research	NGT-90195/90196	
Direct Awards:		
Louisiana Tech University		7,491
NASA Undergraduate Student Research	NGT-5-90004	
Direct Awards:		
Louisiana Tech University		15,957
NASA Undergraduate Student Research Program - Waukeshia	NGT5-90034	
Direct Awards:		
LSU and A&M College (Baton Rouge)		190
NASA Undergraduate Student Researchers Program	NGT-90198	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,336
Sharp Plus - HBCU - PMI	NAGS-4122	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		49,610
Southern Technology Applications Center	PO 710169/NASW 4676	
Through: University of Florida		
LSU and A&M College (Baton Rouge)		66,642
Stennis Ctr Sum Academy	NS-4647	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		1,000

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
Research and Development Cluster:		
Aerospace Education Services Program	43.001	
Direct Awards:		
Louisiana Tech University		$19,359
Southern University and A&M College (Baton Rouge)		814,677
Technology Transfer	43.002	
Direct Awards:		
McNeese State University		25,166
Southern University and A&M College (Baton Rouge)		627,548
Active Deformation in the Mojave Desert Region and the Walker Lane Belt	PO66095	
Through: Central Washington University		
LSU and A&M College (Baton Rouge)		2,508
Accretion onto Magnetic Degenerate Stars	NAG-5-3082	
Direct Awards:		
LSU and A&M College (Baton Rouge)		63,141
Accretion Process in Astrophysics	NAG-5-2777	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,421
Advanced Mechanical Characteristics of Aerospace Engines	NGT-40039	
Direct Awards:		
LSU and A&M College (Baton Rouge)		16,260
Advanced Thin Ionization Calorimeter (ATIC)	NAGW-4577	
Direct Awards:		
LSU and A&M College (Baton Rouge)		212,518
The Advanced Thin Ionization Calorimeter Balloon Experiment	NAG5-5064	
Direct Awards:		
LSU and A&M College (Baton Rouge)		274,335
Aerospace Education Services Program	43.001	
Direct Awards:		
Board of Regents for Higher Education		715,508
LSU and A&M College (Baton Rouge)		37,913

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
Research and Development Cluster: (Cont.)		
Analysis and Optimization of a Low-Gravity Tow-Phase Heat Rejection Device	NAG9-928	
Direct Awards:		
University of Southwestern Louisiana		*$10,979*
Application of Physical and Biological Techniques in the Study of the Gravisensin and Response System of Plants	NAG10-0190	
Direct Awards:		
University of Southwestern Louisiana		74,993
Assessing the Geomorphic Evolution and Hydrographic Changes Induced by Winter	G037590	
Through: University of Wisconsin		
LSU and A&M College (Baton Rouge)		25,677
Astroculture Metabolism and Ultrastructure Analysis	NAG9-860	
Direct Awards:		
LSU Agricultural Center		5,393
Biomedical and Life Sciences	NAG8-1206	
Direct Awards:		
Southeastern Louisiana University		32,927
Buckling Analysis of Thick Walled Composite Cylinders	NGT-40039	
Direct Awards:		
LSU and A&M College (Baton Rouge)		10,138
Building an Integrated Environment for Multi-Media	NAG13-24	
Direct Awards:		
University of Southwestern Louisiana		7,812
Computational Modeling of Advanced Low Emission Combustion Concepts	NAG3-1733	
Direct Awards:		
University of Southwestern Louisiana		5,280
Critical Phenomenon, Electrodynamics, and Geophysical Flows	NAG-3-1658	
Direct Awards:		
University of New Orleans		28,637

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
Research and Development Cluster: (Cont.)		
Design and Development for a Minute-of-Arc Resolution Gamma Ray Imaging Experiment	NAGW-3744	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$14,622
Developmental Analysis of Seeds Grown on Mir	NAG2-1020	
Direct Awards:		
LSU Agricultural Center		77,644
Direct Numerical Simulations on a Curvilinear Mesh of a Thrust/Control Jet	NGT-40039	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,759
Do We Need Realistic Modeling of Composite Interstellar Dust Grains	NAG5-3531	
Direct Awards:		
LSU and A&M College (Baton Rouge)		5,284
Efficient Parallel Kernel Solvers for Computational Fluid Bynamics Applications	NAG-1-1672	
Direct Awards:		
LSU and A&M College (Baton Rouge)		26,711
Fabrication of a Micromachined Resonating Cylinder Rate - Fixed Price Contract	Unknown	
Through: Satcon Technology		
LSU and A&M College (Baton Rouge)		10,000
Flow-Acoustics - Structure Interaction in Solid Rocket Motor Combustion Instability	NGT-40039	
Direct Awards:		
LSU and A&M College (Baton Rouge)		9,606
A Geographic Information System for the Characterization	NAGW-4221	
Direct Awards:		
LSU and A&M College (Baton Rouge)		37,562
A Geophysical Flow Experiment in a Compressible Critical Fluid	NAG-3-1915	
Direct Awards:		
University of New Orleans		43,623

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
Research and Development Cluster: (Cont.)		
Graduate Student Researchers Program		
Direct Awards:		
LSU Agricultural Center	NGT13-72701	$14,994
Louisiana Universities Marine Consortium	NGT-51197	7,301
A Graphic Information System for the Characterization and Modeling	NAGW-4221	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,078
Growth and Morphology of Phase Separating Supercritical Fluids	NAG-3-1906	
Direct Awards:		
University of New Orleans		18,466
High Resolution UV Spectroscopy of HD44179	GO-05858.01-94A	
Through: Space Telescope Science Institute		
LSU and A&M College (Baton Rouge)		16,679
Hubble Space Telescope Research	NAS5-26555	
Through: Space Telescope Science Institute		
University of New Orleans		19,867
Intelligent Know Acquisition	NAG3-1662	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		94,354
Joint Venture in Education	NAG10-0131	
Direct Awards:		
Southeastern Louisiana University		14,766
Large Eddy Simulations Improved Turbulance Modeling of Film Cooling	NAG3-1641	
Direct Awards:		
LSU and A&M College (Baton Rouge)		61,159
Louisiana Space Consortium - Laspace	NGT-40039	
Direct Awards:		
LSU and A&M College (Baton Rouge)		216,034
Magnetephoretic Induction of Root Curvature	NAGW-3565	
Direct Awards:		
University of Southwestern Louisiana		148

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
Research and Development Cluster: (Cont.)		
Microgravity Effects on Early Reproductive Development	NAGW-3579	
Direct Awards:		
LSU Agricultural Center		$14,824
Microgravity Effects on Early Reproductive Development	NAG5-3756	
Direct Awards:		
LSU Agricultural Center		32,056
Microgravity Effects on Plant Pollination	NGT-40039	
Direct Awards:		
LSU Agricultural Center		3,688
Mist Generation for Fire Suppression Applications	NGT-40039	
Direct Awards:		
LSU and A&M College (Baton Rouge)		4,173
NASA Graduate Students Researchers Program - High Resolution		
Direct Awards:		
LSU and A&M College (Baton Rouge)	NGT13-52703	17,706
University of New Orleans	NGT-52702	23,444
NASA Undergraduate Student Researchers Program	NGT-90198/90197	
Direct Awards:		
LSU and A&M College (Baton Rouge)		3,478
NASA/University Joint Venture Program	NASA/JOVE	
Direct Awards:		
University of New Orleans		38,087
A New Model of the Catabolic Effects of Weightlessness	NAG9-714	
Direct Awards:		
Pennington Biomedical Research Center		133,165
Numerical Study of Magnetic Damping During Directional Solidification	NCC3-435	
Direct Awards:		
LSU and A&M College (Baton Rouge)		14,234
Physiological Responses to Nutrient Delivery Systems in Microgravity	NGT-51097	
Direct Awards:		
LSU Agricultural Center		1,333

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
Research and Development Cluster: (Cont.)		
Plant Reproductive Development in Microgravity	NAG10-0139	
Direct Awards:		
LSU Agricultural Center		$177,285
Polymeizable Monomer Reactants	NCC3-512	
Direct Awards:		
Grambling State University		47,855
Propulsion Chemistry for CFD Applications - Fixed Price Contract	SUB95-001	
Through: Seca, Inc.		
LSU and A&M College (Baton Rouge)		18,111
Remediation of Biolims Formed by Bacteria Isolated From Spacecraft Water Systems	NGT9-10	
Direct Awards:		
LSU Agricultural Center		17,532
Scale, Resolution and Representation in Geographic Information - Stephanie Weigel	NGT-51183	
Direct Awards:		
LSU and A&M College (Baton Rouge)		288
A SPDS Node to Support the Systematic Interpretation of Cosmic Ray Data	NAGW-4404	
Direct Awards:		
LSU and A&M College (Baton Rouge)		31,465
Static and Dynamic Analysis of Stiffened Laminated Composition	NGT-40039	
Direct Awards:		
LSU and A&M College (Baton Rouge)		7,672
A Study of Circumstellar Material Formed in a Hydrogen-Deficient Environment	GO-06476-01-95A	
Through: Space Telescope Science Institute		
LSU and A&M College (Baton Rouge)		4,264
Study of Magnetic Damping Effect on Convention and Solidification Under G-Jitter	NCC8-92	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,860

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL AERONAUTICS AND SPACE ADMINISTRATION (CONT.)		
Research and Development Cluster: (Cont.)		
Superconducting Magnet Instrument for Light Isotopes	NAGW-1027	
Direct Awards:		
LSU and A&M College (Baton Rouge)		($7)
Support Contract Proposal for Implementation of Neural Network Vehicle Detector	NAS7-1260	
Through: Nestor, Inc.		
LSU and A&M College (Baton Rouge)		12,921
Surface Tension Measurement on Ten Lubricants, Advancing and Receding Contract Angle Using Ten Lubricants on 440C Stainless Steel	Purchase Order #C-74970-F	
Direct Awards:		
University of Southwestern Louisiana		5,171
The Systematic Interpretation of Cosmic Ray Data	NAGW-1526	
Direct Awards:		
LSU and A&M College (Baton Rouge)		77,135
To Support Programs and Fellowships Under the National Space Grant College and Fellowship	NGT5-40035	
Direct Awards:		
LSU and A&M College (Baton Rouge)		8,159
Thermal Insulation System for Large Flame Buckets	NGT13-52700	
Direct Awards:		
Louisiana Tech University		18,344
Understanding the Evolution of H-Deficient Stars	NAG5-3338	
Direct Awards:		
LSU and A&M College (Baton Rouge)		3,878
Subtotal Research and Development Cluster		4,441,968
Total National Aeronautics and Space Administration		$4,811,122
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES		
Promotion of the Arts - Arts in Education	45.003	
Direct Awards:		
Department of Culture, Recreation and Tourism		$56,410

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES (CONT.)		
Promotion of the Arts - State and Regional Program	45.007	
Direct Awards:		
Department of Culture, Recreation and Tourism		$401,519
Promotion of the Arts - Presenting	45.011	
Direct Awards:		
Department of Culture, Recreation and Tourism		13,000
Promotion of the Humanities - Federal/State Partnership	45.129	
Through: Louisiana Endowment for the Humanities		
LSU and A&M College (Baton Rouge)		20,635
LSU at Eunice		700
Northeast Louisiana University		17,967
Subtotal Promotion of the Humanities - Federal/State Partnership		39,302
Promotion of the Humanities - Education Development and Demonstration	45.162	
Direct Awards:		
Southern University at New Orleans		32,093
Institute of Museum and Library Services	45.301	
Direct Awards:		
LSU in Shreveport		8,404
Research and Development Cluster:		
Promotion of the Humanities - Federal/State Partnership	45.129	
Through: Louisiana Endowment for the Humanities		
LSU and A&M College (Baton Rouge)		600
Promotion of the Humanities - Reference Materials	45.145	
Through: Indiana University		
Southeastern Louisiana University		810
Promotion of the Humanities - Fellowships and Stipends	45.160	
Through: Louisiana Endowment for the Humanities		
LSU and A&M College (Baton Rouge)		15,000
Subtotal Research and Development Cluster		16,410
Total National Foundation on the Arts and the Humanities		$567,138

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION		
Engineering Grants	47.041	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		$57,710
Mathematical and Physical Sciences	47.049	
Direct Awards:		
LSU in Shreveport		28,138
Southern University and A&M College (Baton Rouge)		24,373
Subtotal Mathematical and Physical Sciences		52,511
Computer and Information Science and Engineering	47.070	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		39,520
Biological Sciences	47.074	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		6,415
Social, Behavioral, and Economic Sciences	47.075	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		26,252
Education and Human Resources	47.076	
Direct Awards:		
Louisiana Systemic Initiatives Program		2,079,065
Louisiana Tech University		118,073
Subtotal Education and Human Resources		2,197,138
Application of Video-Probe Microscopy to Biology Teaching	DUE-9351015	
Direct Awards:		
LSU and A&M College (Baton Rouge)		126
Experiment in Education in Environmental Chemistry	CHE-9634060	
Direct Awards:		
LSU and A&M College (Baton Rouge)		16,293
Graduate Research Fellowship Program	DGE-9452977	
Direct Awards:		
LSU and A&M College (Baton Rouge)		14,400

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
LSU SEPUP Implementation Center	ESI-9355643	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$269,999
Model for Reform in Science Education	ESI-9555677	
Direct Awards:		
Louisiana Tech University		65,010
Operation Physics Project II	ESI-9496316	
Direct Awards:		
LSU and A&M College (Baton Rouge)		(2,624)
Research Careers for Minority Scholars in Chemical Physics	HRD-8917855	
Direct Awards:		
Grambling State University		(7,981)
Research Experiences for Undergraduates in Chemistry	CHE-9424021	
Direct Awards:		
LSU and A&M College (Baton Rouge)		35,635
Support for the Collection of Genetic Resources, LSU Museum of Natural History	DEB-9419909	
Direct Awards:		
LSU and A&M College (Baton Rouge)		19,536
Teaching with Finesse	620ASCEN	
Through: Ascension Parish School Board		
LSU and A&M College (Baton Rouge)		11,184
Workshop to Enhance Minority Undergraduate Faculty Education	DUE-9455126	
Direct Awards:		
LSU and A&M College (Baton Rouge)		(388)
Young Scholars in Astronomy and Space Science	ESI-9452797	
Direct Awards:		
LSU and A&M College (Baton Rouge)		25,123
Research and Development Cluster:		
Engineering Grants	47.041	
Direct Awards:		
LSU and A&M College (Baton Rouge)		47,254
Louisiana Tech University		55,515

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
Mathematical and Physical Sciences	47.049	
Direct Awards:		
Louisiana Tech University		$80,836
Northeast Louisiana University		7,184
Southern University and A&M College (Baton Rouge)		(202)
Geosciences	47.050	
Direct Awards:		
Louisiana Universities Marine Consortium		332,055
Northeast Louisiana University		342
Through: University of Washington		
Louisiana Universities Marine Consortium		82,277
Computer and Information Science and Engineering	47.070	
Direct Awards:		
Northeast Louisiana University		195,022
Southern University and A&M College (Baton Rouge)		122,354
Biological Sciences	47.074	
Direct Awards:		
LSU Medical Center (New Orleans)		119
LSU Medical Center (Shreveport)		224,784
Southeastern Louisiana University		76,013
Social, Behavioral, and Economic Sciences	47.075	
Direct Awards:		
LSU Medical Center (Shreveport)		5,184
Southern University and A&M College (Baton Rouge)		70,295
University of Southwestern Louisiana		29,541
Education and Human Resources	47.076	
Direct Awards:		
Southeastern Louisiana University		22,624
Polar Programs	47.078	
Through: University of Washington, Seattle		
LSU and A&M College (Baton Rouge)		(8,077)
Computer and Information Science and Engineering	47.070	
Direct Awards:		
Board of Regents for Higher Education		54,436

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
Education and Human Resources	47.076	
Direct Awards:		
Board of Regents for Higher Education		$2,624,285
Academic Research Infrastructure Program: *Instrumentation* Development and Acquisition Solicitation	CHE-9512155	
Direct Awards:		
University of New Orleans		300,991
Acquisition of X-Ray Powder Diffractometer	DMR-9626297	
Direct Awards:		
University of New Orleans		80,050
Adaptation of G Protein Coupled Signaling to Hydrostatic Pressure	IBN-9407205	
Direct Awards:		
LSU and A&M College (Baton Rouge)		57,149
Age Differences in the Effects of Repeated Questions on Eyewitness Memory	SBR-9422177	
Through: Florida Atlantic University		
University of New Orleans		6,636
Algorithmic Scalability in Reconfigurable Bus-Based Models	CCR-9503882	
Direct Awards:		
LSU and A&M College (Baton Rouge)		73,859
Amine Conversions CU Zeolites Prepared by Reductive Solid State Ion-Exchange	CTS-9634754	
Direct Awards:		
LSU and A&M College (Baton Rouge)		43,920
Atomic Processes and Thermal and Mechanical Properties	DMR-9412965	
Direct Awards:		
LSU and A&M College (Baton Rouge)		33,393
Basic Science Plan for Active Tectonics	EAR-9523431	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,873
Bimetallic Cooperativity in Catalysis	CHE-9201051	
Direct Awards:		
LSU and A&M College (Baton Rouge)		39,432

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
Bimetallic Cooperativity in Homogeneous Catalysis	CHE-9700526	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$44,630
Biogeochemical Processes Governing Production of Emission of Sulfur Gases	DEB-9107555	
Direct Awards:		
LSU and A&M College (Baton Rouge)		91,604
The Carbon Dioxide Concentrating Mechanism of *Chlamydomonas reinhardtii*	IBN-9632087	
Direct Awards:		
LSU and A&M College (Baton Rouge)		84,987
Career: Large-Scope Atomistic Simulations of Multiscale Material Phenomena	ASC-9701504	
Direct Awards:		
LSU and A&M College (Baton Rouge)		2,132
Career: Nonlinear Output of Feedback Control of Constrained Multivariable Processes	CTS-9501368	
Direct Awards:		
LSU and A&M College (Baton Rouge)		78,788
Cobase Agreement: Cooperation in Logical Analysis Research	Unknown	
Through: National Research Council		
LSU and A&M College (Baton Rouge)		885
Collaborative Research on Analysis of a High-Resolution Pollen Record	SBR-9410411	
Direct Awards:		
LSU and A&M College (Baton Rouge)		15,680
Collaborative Research: Initial Palynological Characterization of Cape Roberts	OPP-9527075	
Direct Awards:		
LSU and A&M College (Baton Rouge)		4,394
Collaborative Research: Studies of Large-Magnitude Intracontinental Entensional	PC/136555	
Through: California Institute of Technology		
LSU and A&M College (Baton Rouge)		18,030

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
Community-Risk Factors for Urban Violence: Effects of Economic Hardship	NSFTPSULSU11396-1117	
Through: Pennsylvania State University		
LSU and A&M College (Baton Rouge)		$3,014
The Components of the CO2 Concentrating Mechanism of Chlamydomonas *reinhardtii*	IBN-9304662	
Direct Awards:		
LSU and A&M College (Baton Rouge)		29,384
Constitutive Modeling and Numerical Simulation of Soft Ground Tunneling	CMS-9312707	
Direct Awards:		
LSU and A&M College (Baton Rouge)		77,989
Constructing Optical Interconnections for Massively Parallel *Computing Systems*	ECS-9626215	
Direct Awards:		
LSU and A&M College (Baton Rouge)		28,898
Continuation of Multiple Degrees of Freedom Forced Ship Rolling Motion Using Geo Methods	CMS-9402566	
Direct Awards:		
University of New Orleans		19,073
Developing a Plan for Reform in Science Education in North Louisiana	ESI-9452884	
Direct Awards:		
Louisiana Tech University		7,727
Development of a Population Genetics Database Prototype	DBI-9630311	
Direct Awards:		
University of Southwestern Louisiana		41,372
Devices Using the Hydro-Kinet Transport Theory	ECS-9409471	
Direct Awards:		
University of New Orleans		19,614
Diffraction-Grating Photopolarimeter	DMR-9301313	
Direct Awards:		
University of New Orleans		32,493

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
Disorder and Correlations in Novel Two Dimensional Systems	DMR-9501160	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$61,189
Dissertation Research: A Test of Phylogenetic Congruences	DEB-9321395	
Direct Awards:		
LSU and A&M College (Baton Rouge)		404
Dissertation Research: Plant Community Bynamics in Southeastern Coastal Plains	DEB-9321680	
Direct Awards:		
LSU and A&M College (Baton Rouge)		2,766
Dissertation Research: Soil Management in Highland Guatemala	SBR-9508061	
Direct Awards:		
LSU and A&M College (Baton Rouge)		704
Disturbance and Species Dominance in Plant Communities of Low Salinity Tidal Marshes	DEB-9321692	
Direct Awards:		
LSU and A&M College (Baton Rouge)		298
Doctoral Dissertation Research: Land-Cover Change Detection for the Tropics	SBR-9627957	
Direct Awards:		
LSU and A&M College (Baton Rouge)		4,681
Dynamic Aspects of Rodlike Polymer Solutions and Gels	DMR-9221585	
Direct Awards:		
LSU and A&M College (Baton Rouge)		17,981
Dynamics of Native Iris-Herbivore Association: Effects of Salinity Herbivory, and Genetic Variations	DEB-9632302	
Direct Awards:		
University of Southwestern Louisiana		51,883
Dynamics of Rodlike Polymers in Complex Media	DMR-9634713	
Direct Awards:		
LSU and A&M College (Baton Rouge)		98,978

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
Early Life History Dynamics of Marine Fish: Size-Specific Biochemical and Morphological	OCE-9216889	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$8,670
Earth Systems Computational and Visualization Laboratory	EAR-9421065	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,429
Educating the Next Generation of Information Specialists in Collaboration with Industry	DUE-9455450	
Direct Awards:		
University of Southwestern Louisiana		67,175
Environmental Heterogeneity and Woody Species Diversity in Low Elevation Tropical Areas	96-SC-NSF-1005	
Through: Duke University		
LSU and A&M College (Baton Rouge)		43,225
Evaluation of Alternative Approaches to Code Enforcement	BCS-9311857	
Direct Awards:		
University of New Orleans		65,103
Evolution of Pollen Development in Orchids	MCB-9418015	
Direct Awards:		
University of Southwestern Louisiana		114,161
Evolution of Reproductive Mode in Arctic Sea Stars	OPP-9707806	
Direct Awards:		
LSU and A&M College (Baton Rouge)		560
Experiment in Education in Environmental Chemistry	CHE-9634060	
Direct Awards:		
LSU and A&M College (Baton Rouge)		53,917
Facilitating Maximum Likelihood Estimation of Phylogenetic Trees	DBI-9628835	
Direct Awards:		
University of New Orleans		11,206

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
Fermi Surface Cross-Sectional Images from Photoelectronic Distributions	DMR-9222646	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$21,106
Free Convection, Mass Transport and Diagensis in Thick Hetergeneous Sediment	EAR-9316627	
Direct Awards:		
LSU and A&M College (Baton Rouge)		22,352
Generalized Hamming Weights of Algebraic-Geometric Codes and Asymptotically Good Algebraic-Geometric Codes	NCR-9505619	
Direct Awards:		
University of Southwestern Louisiana		128,447
Genetic Interactions in Early Meiotic Development in Yeast	MCB-9317499	
Direct Awards:		
University of New Orleans		32,134
Goal I: Magnetic Thin Films for Information Storage	DMR-9632171	
Direct Awards:		
LSU and A&M College (Baton Rouge)		16,839
Graduate Research Fellowship Program	GER-9452904	
Direct Awards:		
University of Southwestern Louisiana		45
Graduate Student Support in Miniaturization	DMI-9615803	
Direct Awards:		
Louisiana Tech University		16,022
High Energy Interactions and the Energy Spectra of Cosmic Rays	PHY-9513997	
Direct Awards:		
LSU and A&M College (Baton Rouge)		187,067
High Precision Landau Quantum Oscillation Measurements	DMR-9501419	
Direct Awards:		
LSU and A&M College (Baton Rouge)		79,187
Highly State-Resolved Studies of Shape Resonant Ionization	CHE-9315857	
Direct Awards:		
LSU and A&M College (Baton Rouge)		36,206

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
Hurricane Impact and Recovery on Coastal Island Geomorphology:		
Hurricane Opal	SBR-9625709	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$28,781
IARP Workshop on Autonomous Underwater Vehicles	BES-9712565	
Direct Awards:		
University of Southwestern Louisiana		237
INDO-U.S. Workshop of Ground Improvement Using Geosynthetics	INT-9604985	
Direct Awards:		
University of New Orleans		282
Infinite Antichains of Graphs	DMS-9400946	
Direct Awards:		
LSU and A&M College (Baton Rouge)		9,603
Integrating Research into Undergraduate Computer Science	CDA-9414309	
Direct Awards:		
Louisiana Tech University		59,050
Intergovernmental Personnel Act Assignment	DUE-9554454	
Direct Awards:		
University of Southwestern Louisiana		65,798
Inter-individual Variation in Production of an Insect Defensive Secretion	IBN-9701082	
Direct Awards:		
University of Southwestern Louisiana		136
Interspecific Competition and Extinction-Prone Species	DEB-9314081	
Direct Awards:		
University of Southwestern Louisiana		1,890
Investigation into Faulty and Incomplete Message-Passing		
Parallel Computers	CCR-9300075	
Direct Awards:		
University of Southwestern Louisiana		35,533
Investigation of 4-Dimensional Fault Interactions at the Garlock	EAR-9304715	
Direct Awards:		
University of New Orleans		6,852

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
An Investigation of the Relation Between Mio-Pliocene Sea Level Changes	EAR-9304661	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$47,925
Integrating High Performance Computing into Research in Physics and Astronomy	DGE-9355007	
Direct Awards:		
LSU and A&M College (Baton Rouge)		94,023
Investigations of Autonomous Yeast Oscillations	BES-9522274	
Direct Awards:		
LSU and A&M College (Baton Rouge)		40,468
The IRRB and IRRI Gene Products of *Deinococcus radiourans*	MCB-9418594	
Direct Awards:		
LSU and A&M College (Baton Rouge)		85,099
A Joint DOE NSF and DOD Workshop on Foundation of Information/Decision Fusion with Application to Engineering Problems	IRI-9612769	
Direct Awards:		
University of Southwestern Louisiana		5,000
Kinetics and Reactor Design of Copper CVD Process	CTS-9311527	
Direct Awards:		
LSU and A&M College (Baton Rouge)		9,402
Kinetics of Growth and Product Formation in Hairy Root Cultures	BES-9024412	
Direct Awards:		
LSU and A&M College (Baton Rouge)		3
Light Scattering in Complex Ternary Polymer Solutions	INT-9512700	
Direct Awards:		
LSU and A&M College (Baton Rouge)		14,626
Lithium Isotope Studies of Continental Crystal Fluids	EAR-9506390	
Direct Awards:		
LSU and A&M College (Baton Rouge)		44,893
Lithium Isotope Studies of Oceanic Crust and Convergent Margin Processes	OCE-9314708	
Direct Awards:		
LSU and A&M College (Baton Rouge)		55,013

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
Long-Term Dynamics of the SW Indian Monsoon: *New High-Resolution* Paleoclimatic Study	ATM-9410491	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$32,857
Long-Term Effects of Removing Insects and Ground Dwelling Mammals on Tropical Tree Diversity	DEB-9527729	
Through: University of Pittsburgh		
University of New Orleans		1,496
LOOP Transformation and Scheduling Techniques for Distributed Memory Processors	CCR-9210422	
Direct Awards:		
LSU and A&M College (Baton Rouge)		2,173
Lycophytes, Bryophytes, and Charophytes: Testing Morphology and Molecule Based	DEB-9408057	
Direct Awards:		
LSU and A&M College (Baton Rouge)		22,674
Mapping the Kinematic Spaces of the Human Knee	BES-9308948	
Direct Awards:		
LSU and A&M College (Baton Rouge)		25,094
Mathematical Sciences: Differential Equations in the Complex Plane	DMS-9510336	
Direct Awards:		
University of New Orleans		3,144
Mathematical Sciences: Gauge Theory on Compact Surfaces	DMS-9400961	
Direct Awards:		
LSU and A&M College (Baton Rouge)		12,137
Mathematical Sciences: Harmonic Analysis on Casual Symmetry	DMS-9626541	
Direct Awards:		
LSU and A&M College (Baton Rouge)		25,986
Mathematical Sciences: Mathematical Research Experience	DMS-9322278	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,466

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
Mathematical Sciences: Nonsmooth Analysis and Control	DMS-9623406	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$15,830
Mathematical Sciences: Operator Theory and Differential Equations	DMS-9403785	
Direct Awards:		
LSU and A&M College (Baton Rouge)		2,162
Mathematical Sciences: Special Semester in Real Algebra	DMS-9528094	
Direct Awards:		
LSU and A&M College (Baton Rouge)		2,717
Mathematical Sciences: The 1997 Spring Topology and Dynamics Conference	DMS-9614982	
Direct Awards:		
University of Southwestern Louisiana		16,524
Mathematical Sciences: The Lie Theory of Semigroups	DMS-9623724	
Direct Awards:		
LSU and A&M College (Baton Rouge)		901
Mathematical Sciences: The Lie Theory of Semigroups	DMS-9104582	
Direct Awards:		
LSU and A&M College (Baton Rouge)		4,652
Mathematical Sciences: Topics in Real Algebraic Geometry	DMS-9401509	
Direct Awards:		
LSU and A&M College (Baton Rouge)		18,066
Measuring Selection of Phenological Characters in Natural and EXP Populations of *Lythrum salicaria*	DEB-9419467	
Direct Awards:		
University of New Orleans		49,360
Mechanism of Conjugation in *Streptomyces lividans*	MCB-9604879	
Direct Awards:		
LSU and A&M College (Baton Rouge)		894
Membrane Lipid Biosynthesis in *Chlamydomonas reinhardtii*	MCB-9603626	
Direct Awards:		
LSU and A&M College (Baton Rouge)		26,247

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
Mesozoic-Cenozoic Tectonic Evolution of the Mojave Desert	EAR-9418834	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$48,993
Microfabricated Thermoelectric Probes and Probe Arrays for Highly Localized Temperatures	BIR-9513622	
Direct Awards:		
LSU and A&M College (Baton Rouge)		36,495
Modeling of Melt Flow and Solidification Microstruction During Electromagnetic Storms	CTS-9622275	
Direct Awards:		
LSU and A&M College (Baton Rouge)		11,011
Molecular Studies of Cospecification in a Host-Parasite	DEB-9527583	
Direct Awards:		
LSU and A&M College (Baton Rouge)		47,163
Multi-Product Flowline Design for a Flexible Manufacturer	*DMI-9622306*	
Direct Awards:		
LSU and A&M College (Baton Rouge)		54,876
Neural Processing of Amino Acid Taste Information	IBN-9221891	
Direct Awards:		
LSU and A&M College (Baton Rouge)		68,508
Nonequilibrium Bynamical Systems	DMR-9408634	
Direct Awards:		
LSU and A&M College (Baton Rouge)		44,143
NSF Young Investigator Award		
Direct Awards:		
LSU and A&M College (Baton Rouge)	DMR-9258271	21,140
University of New Orleans	CMS-9696012	31,554
University of Southwestern Louisiana	SBR-9458111	42,274
Nuclear Structure Theory	PHY-9312628	
Direct Awards:		
LSU and A&M College (Baton Rouge)		7,689

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
Nucleolin Function in Amphibian Oocyte Nuclei	MCB-9204796	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$17,664
NYI: Languages, Compilers, and Runtime Systems for Parallel Architectures	CCR-9457768	
Direct Awards:		
LSU and A&M College (Baton Rouge)		30,209
Object Identification, Classification and Avoidance in 3-D Underwater Automated Surveillance	BES-9506771	
Direct Awards:		
University of Southwestern Louisiana		83,365
On the Origin of Pseudo-Spin Symmetry in Deformed Nucleolin	PHY-9317377	
Direct Awards:		
LSU and A&M College (Baton Rouge)		2,474
Operation and Development of Gravitational Wave Detectors	PHY-9511962	
Direct Awards:		
LSU and A&M College (Baton Rouge)		353,766
Operation and Enhancement of the LSU Gravitational Wave Observatory	PHY-9311731	
Direct Awards:		
LSU and A&M College (Baton Rouge)		(35,149)
Operation Primary Physical Medicine	ESI-9453926	
Direct Awards:		
LSU and A&M College (Baton Rouge)		563,500
Organometallic Complexes of Convex Hydrocarbons	CHE-9420908	
Direct Awards:		
LSU and A&M College (Baton Rouge)		58,181
Oxygen-Mediated Regulation of Tetrapyrrole Synthesis in *Rhodobacter capsulatus*	MCB-9304999	
Direct Awards:		
LSU and A&M College (Baton Rouge)		36,309

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
Paleo-Environmental Change in Mainland Southeast Asia-Palynological Evidence	SBR-9506344	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$1,115
Phylogeny and Co-evolution of Fungal Mutualists	DEB-9208027	
Direct Awards:		
LSU and A&M College (Baton Rouge)		48,200
Phylogeny of Laboulbeniales (Ascomycetes)	DEB-9615520	
Direct Awards:		
LSU and A&M College (Baton Rouge)		32,225
Phylogeny of the Corallinales (Rhodophyta) as Inferred From 18s RRNA Gene Sequence	DEB-9423636	
Direct Awards:		
LSU and A&M College (Baton Rouge)		3,620
Physical and Chemical Factors Influencing Production/Emission of Gaseous Air Pollution	BES-9508728	
Direct Awards:		
LSU and A&M College (Baton Rouge)		15,997
Plant Physiology Lab	DUE-9651254	
Direct Awards:		
Northeast Louisiana University		6,295
Precision Micro-MFG Processes Applied to Technology	EEC-9420600	
Direct Awards:		
Louisiana Tech University		117,780
Project Thelius: Interactive Global Environmental Change	ESI-9255714	
Direct Awards:		
LSU and A&M College (Baton Rouge)		34,031
Protein-Protein Interactions in Photosystems II	MCB-9604339	
Direct Awards:		
LSU and A&M College (Baton Rouge)		2,987
Rapid Synthesis of Phosphonate and Phosphonamidate Peptides	CHE-9500992	
Direct Awards:		
LSU and A&M College (Baton Rouge)		113,385

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
Rate Enhancement and Microstructure Control of Copper CVD	CTS-9612157	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$45,894
Research Initiation Award: Multiple Model Estimation w/var Structure	ECS-9409358	
Direct Awards:		
University of New Orleans		17,446
Research on an Algebraic, Nonperturbative Approach to Hadrons and Glueballs	PHY-9012374	
Direct Awards:		
University of New Orleans		1,038
RIA: Employing Instructions History in the Management of Shared Memory Coherent	MIP-9410435	
Direct Awards:		
LSU and A&M College (Baton Rouge)		12,942
RIA: Processing and Properties of Nanocrystalline Metals	CMS-9409750	
Direct Awards:		
LSU and A&M College (Baton Rouge)		36,926
RIA: Theoretical and Laboratory Study of Increase in Bearing Capacity	CMS-9410482	
Direct Awards:		
LSU and A&M College (Baton Rouge)		30,485
Robust Stability and Stabilization of Systems with Real Parameter Uncertainty	ECS-9210388	
Direct Awards:		
LSU and A&M College (Baton Rouge)		4,022
The Role of Housing Foreclosure on Urban Change	SBR-9422580	
Direct Awards:		
University of New Orleans		43,182
RUI: Experimental Investigation of Ecological and Genetic Correlates	DEB-9629287	
Direct Awards:		
University of New Orleans		40,461
RUI: The Relationship Between Gamete Production and Reproductive	OCE-9416548	
Direct Awards:		
University of New Orleans		57,313

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
Signal Transduction of Anemone Hair Bundles	MCB-9505844	
Direct Awards:		
University of Southwestern Louisiana		$95,190
Site Characterization and Assessment of *In Situ* State Properties of Geomaterials	CMS-9531782	
Direct Awards:		
LSU and A&M College (Baton Rouge)		41,002
Small Business Innovative Research Phase I: Real-Time Spectroscopic Ellipsometer for Thin Film Process Control	DMI-9660014	
Through: Containerless Resources, Incorporated		
University of New Orleans		10,661
Sociolinguistic Survey of Cajun French	SBR-9514831	
Direct Awards:		
LSU and A&M College (Baton Rouge)		75,884
Soft X-Ray Molecular Spectroscopy: Dissecting the Continuum	CHE-9616908	
Direct Awards:		
LSU and A&M College (Baton Rouge)		72,842
Solid-State Deuterium NMR of Adsorbates on Hetergenous Catalysts	CHE-9119871	
Direct Awards:		
LSU and A&M College (Baton Rouge)		(305)
Solution Thermochemical Investigation of Iron and Ruthenium	CHE-9305492	
Direct Awards:		
University of New Orleans		22,823
Solution Thermochemical Investigations of Organometallic Complexes	CHE-9631611	
Direct Awards:		
University of New Orleans		112,460
Stabilized Molecular Assemblies for Advanced Synthesis and Technologies	CHE-9529770	
Direct Awards:		
LSU and A&M College (Baton Rouge)		105,945
Standard Star Optical CCD Photometry	AST-9313868	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,765

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
Standard Star Optical CCD Photometry	AST-9528177	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$67,731
Star Formation in Galaxies	AST-9528424	
Direct Awards:		
LSU and A&M College (Baton Rouge)		44,070
Structural Organization of Proteins of the Oxidizing Side of Photosystems II	MCB-9304955	
Direct Awards:		
LSU and A&M College (Baton Rouge)		42,035
Structure of Social and Economic Isolation in Underclass Populations	SBR-9512005	
Direct Awards:		
LSU and A&M College (Baton Rouge)		55,575
Studies in Organized Media	CHE-9632916	
Direct Awards:		
LSU and A&M College (Baton Rouge)		246,787
Studies of Cyclodextrin Chemistry	CHE-9224177	
Direct Awards:		
LSU and A&M College (Baton Rouge)		(4,930)
Studies of the Compositional and Temperature Effects on the Optical Properties	CTS-9528598	
Direct Awards:		
LSU and A&M College (Baton Rouge)		122,455
Support for the LSU Collection of Amphibians Reptiles	DEB-9408316	
Direct Awards:		
LSU and A&M College (Baton Rouge)		7,985
Synthesis of Model Amphiapathic Cyclic Peptides and Their Potential to Induce Leak	CHE-9409873	
Direct Awards:		
LSU and A&M College (Baton Rouge)		219

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
Synthesis, Characterization and Processing of Rigid Polypeptides of Unusual Genomes	DMR-9202434	
Direct Awards:		
LSU and A&M College (Baton Rouge)		($1,029)
Systematic of the Dinophyceae	BSR-9107043	
Direct Awards:		
University of Southwestern Louisiana		3,867
Taxonomic and Phylogentic Study of Western Atlantic and Eastern Pacific Mioceneto	EAR-9316363	
Direct Awards:		
LSU and A&M College (Baton Rouge)		15,215
Tectonic Processes During Ridge Subduction and Plate Reorganization: The Chugach Metamorphic Complex, Alaska	EAR-9307169	
Direct Awards:		
University of New Orleans		21,565
Theoretical Nuclear Structure Physics	PHY-9603006	
Direct Awards:		
LSU and A&M College (Baton Rouge)		40,994
Tourmaline in Metamorphic Rocks: Polar Asymmetry, Episodic Growth and Petrogensis	EAR-9405747	
Direct Awards:		
LSU and A&M College (Baton Rouge)		34,976
Ultrasonic Integrated Microsensing Module	BES-9402818	
Direct Awards:		
Louisiana Tech University		12,393
U.S.-Brazil Cooperation in Synchrontron Radiation Research	INT-9512916	
Direct Awards:		
LSU and A&M College (Baton Rouge)		2,178
U.S.-Brazil Cooperative Research: Modified Clays Hazardous Waste Disposal	INT-9415675	
Direct Awards:		
LSU and A&M College (Baton Rouge)		7,987

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NATIONAL SCIENCE FOUNDATION (CONT.)		
Research and Development Cluster: (Cont.)		
U.S.-China Co-op Research: Formation and Thermodynamic Stability of Metastable Phases	INT-9423738	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$6,435
U.S.-China Cooperative Research: Set-Valued Hybrid State Estimation	INT-9512162	
Direct Awards:		
University of New Orleans		14,128
U.S.-Mexico Cooperative Research: Pairing Correlations and the Pseudo-SU (3) Model	INT-9500474	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,530
VPW: Waveform Relaxation Method	GER-9550154	
Direct Awards:		
LSU and A&M College (Baton Rouge)		78,406
Subtotal Research and Development Cluster		10,830,915
Total National Science Foundation		$13,676,774
SMALL BUSINESS ADMINISTRATION		
Business Development Assistance to Small Business	59.005	
Direct Awards:		
McNeese State University		$378
Research and Development Cluster:		
Small Business Development Center	59.037	
Direct Awards:		
Northwest Louisiana University		1,266,385
Total Small Business Administration		$1,266,763

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
TENNESSEE VALLEY AUTHORITY		
Research and Development Cluster:		
Biomass Energy Resources in Louisiana	Unknown	
Direct Awards:		
LSU Agricultural Center		$297
Total Tennessee Valley Authority		$297
U.S. DEPARTMENT OF VETERANS AFFAIRS		
Grants to States for Construction of State Home Facilities	64.005	
Direct Awards:		
Department of Veterans Affairs		$1,076,223
Veterans State Domiciliary Care	64.014	
Direct Awards:		
Department of Veterans Affairs		400,708
Veterans State Nursing Home Care	64.015	
Direct Awards:		
Department of Veterans Affairs		2,024,115
Animal Care Resources - Caretaker Agreement	V667P-1553	
Direct Awards:		
LSU Medical Center (Shreveport)		5,392
Disbursement for Fellow Stipends and Fringes	Unknown	
Direct Awards:		
LSU Medical Center (Shreveport)		373,275
Disbursement for House Staff Stipend and Fringes	Unknown	
Direct Awards:		
LSU Medical Center (Shreveport)		774,277
Gastro Physicians - Dies, Gholson, Wilder - IPA Agreement	Unknown	
Direct Awards:		
LSU Medical Center (Shreveport)		154,669
Veterans Education Contract-Fixed Price Contract	V101(223B)	
Direct Awards:		
Department of Education		189,393

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF VETERANS AFFAIRS (CONT.)		
Veterans Reporting Fees		
Direct Awards:		
Louisiana Technical College, Acadian Campus	1800-6818	$35
Louisiana Technical College, Alexandria Campus	Unknown	329
Louisiana Technical College, Baton Rouge Campus	36000201	175
Louisiana Technical College, Charles B. Coreil Campus	Unknown	21
Louisiana Technical College, Claiborne Campus	Unknown	7
Louisiana Technical College, Delta-Ouachita Campus	Unknown	126
Louisiana Technical College, Evangeline Campus	Unknown	35
Louisiana Technical College, Florida Parishes Campus	Unknown	14
Louisiana Technical College, Folkes Campus	Unknown	14
Louisiana Technical College, Gulf Area Campus	Unknown	7
Louisiana Technical College, Huey P. Long Campus	Unknown	21
Louisiana Technical College, Jefferson Davis Campus	Unknown	14
Louisiana Technical College, Jefferson Campus	Unknown	70
Louisiana Technical College, Jumonville Memorial Campus	Unknown	7
Louisiana Technical College, Lafayette Regional Campus	Unknown	119
Louisiana Technical College, Lafourche Campus	Unknown	7
Louisiana Technical College, Mansfield Campus	Unknown	14
Louisiana Technical College, Natchitoches Campus	Unknown	77
Louisiana Technical College, New Orleans Campus	Unknown	91
Louisiana Technical College, Northwest Louisiana Campus	Unknown	70
Louisiana Technical College, River Parishes Campus	Unknown	21
Louisiana Technical College, Sabine Valley Campus	Unknown	56
Louisiana Technical College, Shelby M. Jackson Campus	Unknown	28
Louisiana Technical College, Shreveport-Bossier City Campus	Unknown	364
Louisiana Technical College, Sidney N. Collier Campus	Unknown	70
Louisiana Technical College, Slidell Campus	Unknown	56
Louisiana Technical College, South Louisiana Campus	Unknown	21
Louisiana Technical College, Sullivan Campus	Unknown	84
Louisiana Technical College, Teche Area Campus	Unknown	14
Louisiana Technical College, T.H. Harris Campus	Unknown	168
Louisiana Technical College, West Jefferson Campus	Unknown	14
Louisiana Technical College, Westside Campus	Unknown	49
Louisiana Technical College, Young Memorial Campus	Unknown	56
Subtotal Veterans Reporting Fees		2,254
Research and Development Cluster:		
Brucella HTRA Protein and Pathogenesis: Brucella HTRA as Vaccination	DAMD17-94-C-4054	
Direct Awards:		
LSU Medical Center (Shreveport)		100,496

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF VETERANS AFFAIRS (CONT.)		
Research and Development Cluster: (Cont.)		
Dr. Grimes Research Lab - Chad Wilkerson	Unknown	
Direct Awards:		
LSU Medical Center (Shreveport)		$13,000
Veterans Affairs Cooperative Studies Program/NIH Subcontract	1Y 01 HC40204-01	
Direct Awards:		
LSU Medical Center (Shreveport)		13,180
Subtotal Research and Development Cluster		126,676
Total U.S. Department of Veterans Affairs		$5,126,982
ENVIRONMENTAL PROTECTION AGENCY		
Air Pollution Control Program Support	66.001	
Direct Awards:		
Department of Environmental Quality		$2,288,032
State Indoor Random Grants	66.032	
Direct Awards:		
Department of Environmental Quality		1,012
Water Pollution Control - State and Interstate Program Support	*66.419*	
Direct Awards:		
Department of Environmental Quality		848,518
State Public Water System Supervision	66.432	
Direct Awards:		
Office of Public Health		937,140
State Underground Water Source Protection	66.433	
Direct Awards:		
Department of Natural Resources		379,849
Construction Management Assistance	66.438	
Direct Awards:		
Department of Environmental Quality		347,817
Water Quality Management Planning	66.454	
Direct Awards:		
Department of Environmental Quality		76,562

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
National Estuary Program	66.456	
Direct Awards:		
Department of Environmental Quality		$629,224
Capitalization Grants for State Revolving Funds	66.458	
Direct Awards:		
Department of Environmental Quality		23,552,411
Nonpoint Source Implementation Grants	66.460	
Direct Awards:		
Department of Environmental Quality		708,427
Wetlands Protection - Development Grants	66.461	
Direct Awards:		
Department of Agriculture		23,359
LSU Agricultural Center		7,718
Department of Natural Resources		652,683
Subtotal Wetlands Protection - Development Grants		683,760
National Pollutant Discharge Elimination System Related State Program Grants	66.463	
Direct Awards:		
Department of Environmental Quality		5,000
Consolidated Pesticide Enforcement Cooperative Agreements	66.700	
Direct Awards:		
Department of Agriculture		412,241
LSU Agricultural Center		100,185
Subtotal Consolidated Pesticide Enforcement Cooperative Agreements		512,426
Toxic Substances Compliance Monitoring Cooperative Agreements	66.701	
Direct Awards:		
Department of Environmental Quality		124,867
TSCA Title IV State Lead Grants-Certification of Lead-Based Paint Professionals	66.707	
Direct Awards:		
Department of Environmental Quality		150,113
Pollution Prevention Grants Program	66.708	
Direct Awards:		
Department of Environmental Quality		88,538

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
Hazardous Waste Management State Program Support	66.801	
Direct Awards:		
Department of Environmental Quality		$2,353,424
Superfund State Site - Specific Cooperative Agreements	66.802	
Direct Awards:		
Department of Environmental Quality		300,423
State Underground Storage Tanks Program	66.804	
Direct Awards:		
Department of Environmental Quality		71,702
Leaking Underground Storage Tank Trust Fund Program	66.805	
Direct Awards:		
Department of Environmental Quality		1,060,923
Solid Waste Management Assistance	66.808	
Direct Awards:		
Department of Environmental Quality		3,414
CEPP Technical Assistance Grants Program	66.810	
Direct Awards:		
Department of Environmental Quality		18,048
Department of Public Safety and Corrections - Public Safety Services		42,944
Subtotal CEPP Technical Assistance Grants Program		60,992
Environmental Education Grants	66.951	
Direct Awards:		
LSU and A&M College (Baton Rouge)		(913)
Compost Demonstration	X996554-01-0	
Direct Awards:		
Department of Natural Resources		12,534
CWPPA Public Outreach and Education	X-996577-01-0	
Direct Awards:		
LSU Agricultural Center		13,502
Environmental Awareness and Career Training	93-143-SURAMC	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		19,767

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
EPA Worker Protection Standards	Unknown	
Direct Awards:		
LSU Agricultural Center		($165)
Gulf of Mexico Program	CX-820825-01-5	
Direct Awards:		
Department of Environmental Quality		3,479
Inst. Environmental Issues	C4818721-02-0	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		245,035
Isle Dernieres Barrier Island Restoration Project (Phases 0 and 1)	CD-996235-010	
Direct Awards:		
Department of Natural Resources		33,993
Lead Abatement Training Program	T-1114-S2	
Through: Georgia Institute of Technology		
LSU and A&M College (Baton Rouge)		(762)
Mission Research	SC0033-95-0001	
Through: Mission Research Corporation		
Southern University at Shreveport-Bossier City		19,493
Municipal Water Pollution Program	CM-996157-01-2	
Direct Awards:		
Department of Environmental Quality		26,120
Pollution Prevention Set-Aside Program	X-996548-01-0	
Direct Awards:		
Department of Environmental Quality		7,432
Special Purpose - Inappropriate Discharges to Stormwater Drainage	CP-996231-01-2	
Direct Awards:		
Department of Environmental Quality		45,862
Technical Support for a Watershed Based Toxic TMDL Pilot Program	X-996351-01-2	
Direct Awards:		
Department of Environmental Quality		78,752
Technical Support for a Watershed Based Pilot Program	X-996585-01-0	
Direct Awards:		
Department of Environmental Quality		391

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
Whiskey Island	*CD-99-6394-01-0*	
Direct Awards:		
Department of Natural Resources		$15,137
Research and Development Cluster:		
Wetlands Protection - Development Grants	66.461	
Direct Awards:		
LSU and A&M College (Baton Rouge)		16,331
Environmental Protection - Consolidated Research	66.500	
Direct Awards:		
LSU Medical Center (New Orleans)		340,526
McNeese State University		217,490
University of New Orleans		123,905
Gulf of Mexico Program	MX994929-96-0	
Direct Awards:		
University of New Orleans		1,868
Solid Waste Disposal Research	*66.504*	
Direct Awards:		
LSU and A&M College (Baton Rouge)		199,320
Wastewater Pollution Control - Research, Development and Demonstration Grants	66.505	
Direct Awards:		
Department of Environmental Quality		4,654
LSU and A&M College (Baton Rouge)		145,284
Toxic Substances Research	66.507	
Direct Awards:		
Northeast Louisiana University		8,889
Surveys, Studies, Investigations and Special Purpose Grants	66.606	
Direct Awards:		
LSU and A&M College (Baton Rouge)		68,412
Training and Fellowships for the Environmental Protection Agency	66.607	
Direct Awards:		
University of Southwestern Louisiana		26,744

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
Research and Development Cluster: (Cont.)		
Environmental Education and Training Program	66.950	
Direct Awards:		
Louisiana Universities Marine Consortium		$54,569
University of Southwestern Louisiana		57,516
Advanced Process Analysis for Pollution Prevention	095LSU0476	
Through: Lamar University		
LSU and A&M College (Baton Rouge)		4,799
Chemical Transport from Contaminated Sediment Through CDFS	R819165-01	
Direct Awards:		
LSU and A&M College (Baton Rouge)		10,440
Dynamic Aspects of Metal Speciation in the Miami River	R819165-01	
Direct Awards:		
LSU and A&M College (Baton Rouge)		3,713
Ecological Landscape Modeling of the Wetlands of Biloxi State Management Area	Unknown	
Through: Lake Pontchartrain Basin Foundation		
LSU and A&M College (Baton Rouge)		39,565
Effects of the 1997 Bonnet Carre Opening on Nutrients in Lake Pontchartrain - Fixed Price Contract	Unknown	
Through: Lake Pontchartrain Basin Foundation		
LSU and A&M College (Baton Rouge)		21,876
Effects of Soil Properties and Fertilization on Methane	EPA#CR-817426-01-0	
Through: International Rice Research Institute		
LSU and A&M College (Baton Rouge)		39,650
Evaluation of Placement and Effectiveness of Sediment Caps	R819165-01	
Direct Awards:		
LSU and A&M College (Baton Rouge)		139,384
Freshwater Bioturbators in Riverine Sediments as Enhancers of Contaminant Releases	R819165-01	
Direct Awards:		
LSU and A&M College (Baton Rouge)		2,762

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
Research and Development Cluster: (Cont.)		
Fundamental Aspects of Electrokinetic Remediation of Soils	R822721-1/113LSU3225	
Through: Lamar University		
LSU and A&M College (Baton Rouge)		($4,636)
Hazardous Substance Research Consortium/South and Southwest	R819165-01	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,885,343
Laser Diagnosis of the Combustion Process Within a Rotary Kiln Incinerator	104LSU0428	
Through: Lamar University		
LSU and A&M College (Baton Rouge)		21,115
Modeling of Air Emissions From Contaminated Dredged Materials	R819165-01	
Direct Awards:		
LSU and A&M College (Baton Rouge)		8,179
Modeling of Air Emissions of Volatile Organic Compounds From Contaminated Sediment	R819165-01	
Direct Awards:		
LSU and A&M College (Baton Rouge)		156,654
Pollutant Fluxes to Aquatic Systems Via Coupled Biological	R819165-01	
Direct Awards:		
LSU and A&M College (Baton Rouge)		80,423
Pollution Prevention by Process Modification Using On-Line Optimization	094LSU0410	
Through: Lamar University		
LSU and A&M College (Baton Rouge)		8,802
Prepare a Use Attainability Analysis of Municipal Wastewater Discharge	Unknown	
Through: Lake Pontchartrain Basin Foundation		
LSU and A&M College (Baton Rouge)		12,896
R2D2 Project - Research and Re-training of Displaced DOD	R819165-01	
Direct Awards:		
LSU and A&M College (Baton Rouge)		165,379
Sanitary Sewer Overflows Associated with Non-NPDES Entities	X825545-01-0	
Direct Awards:		
LSU and A&M College (Baton Rouge)		559

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
ENVIRONMENTAL PROTECTION AGENCY (CONT.)		
Research and Development Cluster: (Cont.)		
Sediment Resuspension and Contaminant Transport in an Estuary	R819165-01	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$19,491
Sonochemical Treatment of Hazardous Organic Compounds I	016LSU2435	
Through: Lamar University		
LSU and A&M College (Baton Rouge)		24,271
Sonochemical Treatment of Hazardous Organic Compounds II: Process Optimization	104LSU0435	
Through: Lamar University		
LSU and A&M College (Baton Rouge)		6,702
Source Identification, Transformation and Transport Processes	R819165-01	
Direct Awards:		
LSU and A&M College (Baton Rouge)		96,562
South Shore Water Quality Analysis and Outfall Plume Delivery - Fixed Price Contract	Unknown	
Through: Lake Pontchartrain Basin Foundation		
LSU and A&M College (Baton Rouge)		9,604
Transfer of Advanced Process Analysis Technology to the Oil Industry	076LSU0571	
Through: Lamar University		
LSU and A&M College (Baton Rouge)		9,202
Subtotal Research and Development Cluster		4,028,243
Total Environmental Protection Agency		$39,732,474
NUCLEAR REGULATORY COMMISSION		
Nuclear Energy Cooperative Agreement	NRC-31-83-669-21	
Direct Awards:		
Department of Environmental Quality		$37,000
Nuclear Regulatory Agreement - Fixed Price Contract	NRC-10-87-337	
Direct Awards:		
LSU and A&M College (Baton Rouge)		3,016

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
NUCLEAR REGULATORY COMMISSION (CONT.)		
Research and Development Cluster:		
Fixed Price Contracts	NRC-10-87-360-00	
Direct Awards:		
University of New Orleans		$955
Total Nuclear Regulatory Commission		$40,971
U.S. DEPARTMENT OF ENERGY		
State Energy Program	81.041	
Direct Awards:		
Department of Natural Resources		$560,828
Weatherization Assistance for Low-Income Persons	81.042	
Direct Awards:		
Department of Social Services		691,304
Office of Energy Research Financial Assistance Program	81.049	
Direct Awards:		
Southern University Board and System Administration		1,598,597
Southern University and A&M College (Baton Rouge)		18,598
Subtotal Office of Energy Research Financial Assistance Program		1,617,195
Energy Conservation for Institutional Buildings	81.052	
Direct Awards:		
Department of Natural Resources		122,362
Conservation Research and Development	81.086	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		339,177
National Industrial Competitiveness through Energy, Environment, and Economics	81.105	
Direct Awards:		
Department of Natural Resources		1,305
Freshman Enrichment Program	DEFG0595TE00023	
Direct Awards:		
LSU in Shreveport		27,355

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF ENERGY (CONT.)		
Micro-Manufacturing Planning, Construction and Equipment	DE-FG02-91CH10481	
Direct Awards:		
Louisiana Tech University		$606,507
Petroleum Violation Escrow Funds	Unknown	
Direct Awards:		
Department of Natural Resources		3,516,194
Study of Marketing of Rice Milling Energy By-Products - Fixed Price Contract	ACK-5-14228-01	
Through: Midwest Research Institute		
LSU Agricultural Center		49,367
Task Order - Battelle Institute	206051-L2	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		81,528
Research and Development Cluster:		
Energy-Related Inventions	81.036	
Through: Western Washington University		
Louisiana Universities Marine Consortium		44,844
Office of Energy Research Financial Assistance Program	81.049	
Direct Awards:		
Board of Regents for Higher Education		1,046,630
LSU and A&M College (Baton Rouge)		769,669
Southeastern Louisiana University		19,680
Southern University and A&M College (Baton Rouge)		482,839
University of New Orleans		123,644
University Coal Research	81.057	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		24,855
Conservation Research and Development	81.086	
Direct Awards:		
LSU and A&M College (Baton Rouge)		66,415
Southern University and A&M College (Baton Rouge)		96,266
Fossil Energy Research and Development	81.089	
Direct Awards:		
Southeastern Louisiana University		71,139
Department of Wildlife and Fisheries		32,449

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF ENERGY (CONT.)		
Research and Development Cluster: (Cont.)		
Oil Recovery Demonstration	81.107	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$125,284
Advanced Sulfur Control Concepts for Hot Gas Desulfurizing	ED-AC21-94MC30012	
Direct Awards:		
LSU and A&M College (Baton Rouge)		85,099
Alpha Magnetic Spectrometer	NV-R-586484	
Through: Massachusetts Institute of Technology		
LSU and A&M College (Baton Rouge)		(61)
Annual Plan (Year 3) for the PTTC's Central Gulf Region	0495	
Through: Petroleum Technology Transfer Council		
LSU and A&M College (Baton Rouge)		31,391
Beam Tests Experiment at KEK	D9291ER40679	
Through: University of California		
LSU and A&M College (Baton Rouge)		10,040
Coal Benefaction Process on Rheology/Atomization of Coal-Water Slurries	DE-F622-92 MT92019	
Direct Awards:		
Grambling State University		(1,679)
Combining Steam-Methane Reforming, Water-Gas Shift, and CO_2 Removal	DE-FG02-97ER12208	
Direct Awards:		
LSU and A&M College (Baton Rouge)		12,317
Coupled Fluid Flow and Chemical Transport: Implications for Mineral Chemistry	C75110017-3C	
Through: University of California - Los Alamos National Laboratory		
LSU and A&M College (Baton Rouge)		7,285
Design and Construction of Center for Energy Resource Management	DE-FG02-91CH10470	
Direct Awards:		
University of New Orleans		15,423
The Design and Construction of the Muon Arm of Phoenix	DE-FG02-97ER41037	
Direct Awards:		
LSU and A&M College (Baton Rouge)		33,026

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF ENERGY (CONT.)		
Research and Development Cluster: (Cont.)		
Development of a Production Version of the Centrum Code - Fixed Price Contract	49X-SW503V	
Through: Lockheed Martin Energy Systems, Inc.		
LSU and A&M College (Baton Rouge)		$31,410
Effects of Climate Change on Hypoxia in Coastal Waters	TUL-035-95/96	
Through: Tulane University		
LSU and A&M College (Baton Rouge)		84,889
Electronic and Nuclear Factors in Intramolecular Charge and Excitation Transfer	DE-FG02-96ER14606	
Direct Awards:		
University of New Orleans		58,694
Factors Affecting Formation, Emission, and Secondary Reaction of Nitrous Oxide	TUL-007-93/94	
Through: Tulane University		
LSU and A&M College (Baton Rouge)		(775)
Flux of Methane From Natural Wetlands: Experimental Study	Unknown	
Through: Tulane University		
LSU and A&M College (Baton Rouge)		6,858
Gallium Zeolites for Light Paraffin Amortization	DE-FG05-92ER14291	
Direct Awards:		
LSU and A&M College (Baton Rouge)		28,352
High Precision Landau Quantum Oscillation Studies of Selected High Temperature - Fixed Price Contract	49X-SV905V	
Through: Lockheed Martin Energy Systems, Inc.		
LSU and A&M College (Baton Rouge)		24,305
Improved Recoveries from Gulf of Mexico Reservoirs	DE-FG22-95BC14802	
Direct Awards:		
LSU and A&M College (Baton Rouge)		118,145
Inorganic Synthesis and Laser-Induced Photo Chemistry Releases	TUL-010-93/94	
Through: Tulane University - DOE		
LSU and A&M College (Baton Rouge)		26,705

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF ENERGY (CONT.)		
Research and Development Cluster: (Cont.)		
Investigation of Syngas Interactions in Alcohol Catalysts	DEF622-93 MT93010	
Through: Xavier University		
Grambling State University		$29,200
Jefferson Lab Personnel Support for Faculty Research	SURA-96 D6359702	
Through: Southeastern University Research Association		
Louisiana Tech University		32,433
Magneto-Chemical Character Studies	DE-F622-96-PC96225	
Through: Xavier University		
Grambling State University		3,308
Methane Emissions and Mitigation From Louisiana and Philippines Rice Agriculture	TUL-008-93/94	
Through: Tulane University		
LSU and A&M College (Baton Rouge)		2,394
Molecular Dynamics Simulations of Nanostructured Material	DE-FG02-96ER45570	
Direct Awards:		
LSU and A&M College (Baton Rouge)		70,443
Natural and Human Induced Causes of Wetland Loss in Coastal Louisiana - Administration	01692402	
Through: University of Chicago - Argonne National Laboratory		
LSU and A&M College (Baton Rouge)		1,464
Natural and Human Induced Causes of Wetland Loss in Coastal Louisiana - Classification	01692402	
Through: University of Chicago - Argonne National Laboratory		
LSU and A&M College (Baton Rouge)		3,632
Oil and Gas Resource Atlas Series Offshore Northern Gulf of Mexico	Unknown	
Through: University of Texas at Austin - Bureau of Economic Geology		
LSU and A&M College (Baton Rouge)		67,354
Operational Support for the Establishment of the Central Gulf Regional Resource	0495	
Through: Petroleum Technology Transfer Council		
LSU and A&M College (Baton Rouge)		(85)

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF ENERGY (CONT.)		
Research and Development Cluster: (Cont.)		
Operational Support for the Establishment of the Central Gulf Regional Resource - Year Two	0495	
Through: Petroleum Technology Transfer Council		
LSU and A&M College (Baton Rouge)		$209,644
Palynologic Data Evaluation: Savannah River Nuclear Station	Unknown	
Through: Oak Ridge Institute for Science and Education		
LSU and A&M College (Baton Rouge)		19,300
Perform Kinetics of Lead (Pb) Desorption From Iron Oxide Goethyde Experiments	AU-9271	
Through: Sandia National Laboratories		
LSU Agricultural Center		18,850
Polynuclear Aromatic Hydrocarbons with Curved Surfaces: Models and Precursors	DE-FG02-96ER14602	
Direct Awards:		
LSU and A&M College (Baton Rouge)		103,953
Populous Crop Development in the Southeastern United States - Fixed Price Contract	943312-01	
Through: Mississippi State University		
LSU Agricultural Center		8,168
Post Waterflood CO_2 Miscible Flood in a Light Oil Fluvial Dominated Deltaic Resource	NOS-01-93	
Through: Texaco Exploration and Production, Inc.		
LSU and A&M College (Baton Rouge)		469
Potential for Plant Biomass Energy Production From Native Species of Willow in Louisiana	OR22072-18	
Through: Consortium for Plant Biotechnology Research, Inc.		
LSU and A&M College (Baton Rouge)		16,383
Project to Enhance Student and Science Engineering at the Pre-College Level	DE-FG05-91ER75524	
Direct Awards:		
University of New Orleans		179,896

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF ENERGY (CONT.)		
Research and Development Cluster: (Cont.)		
Reducing Energy Consumption and Pollution in Plastics Manufacturing Processes	DE-FG02-96ER12201	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$52,955
Sensitized Luminescence in Organized Media	DE-FG05-93ER14367	
Direct Awards:		
LSU and A&M College (Baton Rouge)		27,371
Structure of Nuclei Far From Stability	DE-FG02-96ER40978	
Direct Awards:		
LSU and A&M College (Baton Rouge)		160,944
Vortex-Generator Induced Enhanced Heat Transfer in Gas	93-01-SR015	
Through: Clemson University Research Foundation		
LSU and A&M College (Baton Rouge)		98,777
Weak Interactions in Nuclear Physics and Nuclear Astrophysics	DE-FG02-96ER40985	
Direct Awards:		
LSU and A&M College (Baton Rouge)		19,880
West Hackberry Tertiary Project	Unknown	
Through: Amoco Production Co.		
LSU and A&M College (Baton Rouge)		36,165
Subtotal Research and Development Cluster		4,638,036
Total U.S. Department of Energy		$12,251,158
UNITED STATES INFORMATION AGENCY		
Educational Exchange - University Lecturers (Professors) and Research Scholars	82.002	
Direct Awards:		
Grambling State University		$3,628
Campus VIII - Administrative Costs	IA-AEJM-G3190564	
Direct Awards:		
LSU and A&M College (Baton Rouge)		15,591

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
UNITED STATES INFORMATION AGENCY (CONT.)		
Campus VIII - Program Costs	IA-AEJM-G3190564	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$2,826
Campus IX - Administrative Costs	IA-AECF-G4190473	
Direct Awards:		
LSU and A&M College (Baton Rouge)		77,147
Campus IX - Program Costs	IA-AECF-G4190473	
Direct Awards:		
LSU and A&M College (Baton Rouge)		302,699
Freedom Support Act - Graduate Fellowship Program	Unknown	
Through: International Research and Exchange Board		
LSU and A&M College (Baton Rouge)		24,264
President's University Student Exchange	Unknown	
Through: American Collegiate Consortium		
LSU Agricultural Center		75,761
President's University Student Exchange-Administrative - Fixed Price Contract	Unknown	
Through: American Collegiate Consortium		10,728
LSU Agricultural Center		
Technical Assistance in Strategic Evaluation	118-0005-G-00-5289-0	
Direct Awards:		
LSU and A&M College (Baton Rouge)		404,445
Research and Development Cluster:		
Lab Fees for Yilma, Jobre for Comparison of Relationship Between Hemoglobin	20874	
Through: Council for International Exchange of Scholars		
LSU and A&M College (Baton Rouge)		1,085
Subtotal Research and Development Cluster		1,085
Total United States Information Agency		$918,174

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
FEDERAL EMERGENCY MANAGEMENT AGENCY		
Hazardous Materials Training Program for Implementation of the Superfund Amendment and Reauthorization Act (SARA) of 1986	83.011	
Direct Awards:		
Department of Military Affairs		$59,205
Hazardous Materials Assistance Program	83.012	
Direct Awards:		
Department of Military Affairs		6,000
Community Assistance Program - State Support Services Element (CAP-SSSE)	83.105	
Direct Awards:		
Department of Military Affairs		80,963
State Disaster Preparedness Grants	83.505	
Direct Awards:		
Department of Military Affairs		48,104
Disaster Assistance	83.516	
Direct Awards:		
Department of Military Affairs		9,838,268
Hurricane Program	83.520	
Direct Awards:		
Department of Military Affairs		75,308
Emergency Management Institute - Field Training Program	83.528	
Direct Awards:		
Department of Military Affairs		10,370
Emergency Management - State and Local Assistance	83.534	
Direct Awards:		
Department of Military Affairs		1,807,053
Anti-Terrorism	EMT-97-PA-0002	
Direct Awards:		
Department of Military Affairs		47
Mitigation Assistance Program	EMT-97-PA-0002	
Direct Awards:		
Department of Military Affairs		32,673
Total Federal Emergency Management Agency		$11,957,991

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION		
Adult Education - State Grant Program	84.002	
Direct Awards:		
Department of Education		$5,230,007
Civil Rights Training and Advisory Services	84.004	
Direct Awards:		
Department of Education		7,390
Education of Children with Disabilities in State Operated or Supported Schools	84.009	
Direct Awards:		
Department of Education		(12,731)
Title 1 Grants to Local Educational Agencies	84.010	
Direct Awards:		
Department of Education		190,356,646
Migrant Education - Basic State Grant Program	84.011	
Direct Awards:		
Department of Education		564,888
Title 1 Program for Neglected and Delinquent Children	84.013	
Direct Awards:		
Department of Education		749,913
International: Overseas - Group Projects Abroad	84.021	
Direct Awards:		
LSU in Shreveport		21,732
Southern University at New Orleans		29,900
Subtotal International: Overseas-Group Projects Abroad		51,632
Services for Children with Deaf-Blindness	84.025	
Direct Awards:		
Department of Education		70,943
Special Education - Grants to States	84.027	
Direct Awards:		
Department of Education		38,354,557

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Special Education - Personnel Development and Parent Training	84.029	
Direct Awards:		
Department of Education		$202,322
Southeastern Louisiana University		60,719
Subtotal Special Education - Personnel Development and Parent Training		263,041
Higher Education - Institutional Aid	84.031	
Direct Awards:		
Grambling State University		2,608,062
Northwestern State University		283,858
Southern University and A&M College (Baton Rouge)		2,634,652
Southern University at New Orleans		1,842,506
Southern University at Shreveport-Bossier City		1,048,873
Subtotal Higher Education - Institutional Aid		8,417,951
Public Library Services	84.034	
Direct Awards:		
Department of Culture, Recreation and Tourism		1,636,925
Interlibrary Cooperation and Resource Sharing	84.035	
Direct Awards:		
Department of Culture, Recreation and Tourism		216,128
Library Education and Training	84.036	
Direct Awards:		
LSU and A&M College (Baton Rouge)		204,842
Library Research and Demonstration	84.039	
Direct Awards:		
LSU and A&M College (Baton Rouge)		40,950
TRIO - Student Support Services	84.042	
Direct Awards:		
Grambling State University		164,862
LSU and A&M College (Baton Rouge)		263,148
LSU at Eunice		278,471
McNeese State University		175,815
Nicholls State University		305,768
Northwestern State University		240,567
Southeastern Louisiana University		200,101
Southern University and A&M College (Baton Rouge)		250,179

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
TRIO - Student Support Services	84.042	
Direct Awards:		
Southern University at New Orleans		$324,870
Southern University at Shreveport-Bossier City		229,953
University of Southwestern Louisiana		396,652
Subtotal TRIO - Student Support Services		2,830,386
TRIO - Talent Search	84.044	
Direct Awards:		
Southeastern Louisiana University		247,552
Southern University and A&M College (Baton Rouge)		304,344
Southern University at New Orleans		227,846
Southern University at Shreveport-Bossier City		265,267
University of Southwestern Louisiana		328,684
Subtotal TRIO - Talent Search		1,373,693
TRIO - Upward Bound	84.047	
Direct Awards:		
Delgado Community College		203,676
Grambling State University		488,447
LSU at Eunice		269,358
McNeese State University		227,336
Nicholls State University		230,280
Southeastern Louisiana University		1,132,784
Southern University and A&M College (Baton Rouge)		482,100
Southern University at New Orleans		261,904
Southern University at Shreveport-Bossier City		288,716
University of Southwestern Louisiana		663,436
Subtotal TRIO - Upward Bound		4,248,037
Vocational Education - Basic Grants to States	84.048	
Direct Awards:		
Department of Education		19,110,982
Vocational Education - Consumer and Homemaking Education	84.049	
Direct Awards:		
Department of Education		23,457

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
National Vocational Education Research	84.051	
Direct Awards:		
LSU Medical Center (New Orleans)		$65,486
Vocational Education - State Councils	84.053	
Direct Awards:		
State Council on Vocational Education		203,237
Higher Education - Cooperative Education	84.055	
Direct Awards:		
Southeastern Louisiana University		38,268
TRIO - Educational Opportunity Centers	84.066	
Direct Awards:		
Southeastern Louisiana University		251,990
State Student Incentives Grants	84.069	
Direct Awards:		
Office of Student Financial Assistance		454,334
National Diffusion Network	84.073	
Direct Awards:		
Department of Education		27,576
Women's Educational Equity Act Program	84.083	
Direct Awards:		
LSU in Shreveport		187,409
Fund for the Improvement of Postsecondary Education	84.116	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		(28,245)
Minority Science Improvement	84.120	
Direct Awards:		
Grambling State University		176,343
LSU in Shreveport		5,760
Southern University and A&M College (Baton Rouge)		10,042
Subtotal Minority Science Improvement		192,145
Rehabilitation Services - Vocational Rehabilitation Grants to States	84.126	
Direct Awards:		
Department of Social Services		44,739,518

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Rehabilitation Long-Term Training	84.129	
Direct Awards:		
LSU Medical Center (New Orleans)		$219,618
Louisiana Tech University		39,229
Southern University and A&M College (Baton Rouge)		237,608
Subtotal Rehabilitation Long-Term Training		496,455
Business and International Education	84.153	
Direct Awards:		
LSU in Shreveport		47,041
University of Southwestern Louisiana		74,806
Subtotal Business and International Education		121,847
Public Library Construction and Technology Enhancement	84.154	
Direct Awards:		
Department of Culture, Recreation and Tourism		314,537
Secondary Education and Transitional Services for Youth With Disabilities	84.158	
Direct Awards:		
LSU Medical Center (New Orleans)		331,233
Southern University and A&M College (Baton Rouge)		89,001
Subtotal Secondary Education and Transitional Services for Youth With Disabilities		420,234
Immigrant Education	84.162	
Direct Awards:		
Department of Education		142,792
Library Literacy	84.167	
Direct Awards:		
Department of Culture, Recreation and Tourism		31,673
Eisenhower Professional Development - National Activities	84.168	
Direct Awards:		
Department of Education		132,727
Independent Living - State Grants	84.169	
Direct Awards:		
Department of Social Services		414,272

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Special Education - Preschool Grants	84.173	
Direct Awards:		
Department of Education		$6,824,608
Vocational Education - Community Based Organizations	84.174	
Direct Awards:		
Department of Education		22,266
Rehabilitation Services - Independent Living Services for Older Individuals Who Are Blind	84.177	
Direct Awards:		
Department of Social Services		153,020
Special Education - Grants for Infants and Families With Disabilities	84.181	
Direct Awards:		
Department of Education		4,484,428
Substance Abuse Education and Prevention Program	84.183	
Direct Awards:		
LSU Medical Center (New Orleans)		8,180
LSU in Shreveport		17,600
Subtotal Substance Abuse Education and Prevention Program		25,780
Byrd Honors Scholarships	84.185	
Direct Awards:		
Department of Education		527,952
Safe and Drug-Free Schools and Communities - State Grants	84.186	
Direct Awards:		
Department of Education		9,849,995
Supported Employment Services for Individuals With Severe Disabilities	84.187	
Direct Awards:		
Department of Social Services		568,336
Bilingual Education Support Services	84.194	
Direct Awards:		
Department of Education		113,375
Education for Homeless Children and Youth	84.196	
Direct Awards:		
Department of Education		629,612

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Even Start - State Educational Agencies	84.213	
Direct Awards:		
Department of Education		$2,562,182
Even Start - Migrant Education	84.214	
Direct Awards:		
Department of Education		1,627,041
Fund for the Improvement of Education	84.215	
Through: University of Hawaii - CRDG		
LSU and A&M College (Baton Rouge)		4,142
Capital Expenses	84.216	
Direct Awards:		
Department of Education		1,147,877
McNair Post-Baccalaureate Achievement	84.217	
Direct Awards:		
LSU and A&M College (Baton Rouge)		205,402
State School Improvement Grants	84.218	
Direct Awards:		
Department of Education		390,325
State Grants for Assistive Technology	84.224	
Direct Awards:		
Department of Health and Hospitals		472,427
Tech-Prep Education	84.243	
Direct Awards:		
Department of Education		2,176,688
Urban Community Service	84.252	
Direct Awards:		
LSU in Shreveport		290,532
State Literacy Resource Centers	84.254	
Direct Awards:		
Executive Department		67,373

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Rehabilitation Training - State Vocational Rehabilitation Unit In-Service Training	84.265	
Direct Awards:		
Department of Social Services		$42,153
Goals 2000 - State and Local Education Systemic Improvement Grants	*84.276*	
Direct Awards:		
Department of Education		7,767,329
Eisenhower Professional Development State Grants	84.281	
Direct Awards:		
Department of Education		5,100,894
Charter Schools	84.282	
Direct Awards:		
Department of Education		235,652
Comprehensive Regional Assistance Centers	84.283	
Direct Awards:		
Northwestern State University		12,950
Foreign Languages Assistance	84.293	
Direct Awards:		
Department of Education		91,764
Innovative Education Program Strategies	84.298	
Direct Awards:		
Department of Education		5,807,123
Technology Challenge Grants	84.303	
Through: Natchitoches Parish School Board		
Louisiana Systemic Initiatives Program		309,781
Capacity Building for Traditionally Underserved Populations	84.315	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		85,181
Annual Interest Grant	R-7-00375	
Direct Awards:		
Louisiana Tech University		113,349

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Clinical Education Program	PO97A10015-96	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		$49,089
Cooperative Education Administration - Part B	P055E30043	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		3,942
Fall 1995 Semester Support Services - Fixed Price Contract	212 5212	
Through: Texas Rehabilitation Commission		
LSU and A&M College (Baton Rouge)		300
Federal Annual Bond Interest Grant	5-7-00341 7503-1015	
Direct Awards:		
Department of the Treasury		13,285
National Writing Project		
Through: University of California		
LSU in Shreveport	92-LA03	20,296
Through: National Writing Project Corporation		
LSU and A&M College (Baton Rouge)	*92-LA02*	*7,586*
Southeastern Louisiana University	92-LA05	16,437
Subtotal National Writing Project		44,319
Regional Network Program	SS95013001	
Through: Education Development Center, Incorporated		
Northwestern State University		2,198
Semester Support Services - Fixed Price Contract	212 5211/215 0321/21	
Through: Texas Rehabilitation Commission		
LSU and A&M College (Baton Rouge)		5,440
STW State Implementation Grants	V278E70017-97	
Direct Awards:		
Executive Department		143,087
S.U. School Personnel Training	S207A30196-94	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		9,796

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Using Technology in Prevention for a Drug-Free Tomorrow	PO803393	
Through: University of Oklahoma		
Northwestern State University		$1,697
Research and Development Cluster:		
International: Overseas - Faculty Research Abroad	84.019	
Direct Awards:		
LSU and A&M College (Baton Rouge)		(8,231)
International: Overseas - Group Projects Abroad	84.021	
Direct Awards:		
University of New Orleans		3,100
Special Education - Personnel Development and Parent Training	84.029	
Through: University of Virginia		
Southern University and A&M College (Baton Rouge)		19,070
University of New Orleans		182,356
TRIO - Student Support Services	84.042	
Direct Awards:		
University of New Orleans		178,653
TRIO - Talent Search	84.044	
Direct Awards:		
Northeast Louisiana University		219,853
University of New Orleans		273,375
TRIO - Upward Bound	84.047	
Direct Awards:		
University of New Orleans		544,199
Special Education - Program for Severely Disabled Children	84.086	
Direct Awards:		
University of New Orleans		292,411
National Institute on Disability and Rehabilitation Research	84.133	
Through: University of Alabama		
Southern University and A&M College (Baton Rouge)		5,821
Business and International Education	84.153	
Direct Awards:		
Northeast Louisiana University		29,137

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Research and Development Cluster: (Cont.)		
Secondary Education and Transitional Services for Youth with Disabilities	84.158	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		($477)
University of New Orleans		120,404
Eisenhower Mathematics and Science Education State Grants	84.164	
Direct Awards:		
Board of Regents for Higher Education		987,607
Safe and Drug-Free Schools and Communities - State Grants	84.186	
Direct Awards:		
University of New Orleans		15,845
Urban Community Service	84.252	
Direct Awards:		
University of New Orleans		75,306
Subtotal Research and Development Cluster		2,938,429
Student Financial Assistance Cluster:		
Federal Supplemental Educational Opportunity Grants	84.007	
Direct Awards:		
Delgado Community College		399,075
Grambling State University		294,176
LSU and A&M College (Baton Rouge)		553,349
LSU at Alexandria		44,393
LSU at Eunice		51,767
LSU Medical Center (New Orleans)		30,364
LSU in Shreveport		66,150
Louisiana Tech University		719,291
McNeese State University		218,489
Nicholls State University		50,250
Northeast Louisiana University		224,454
Northwestern State University		67,198
Southeastern Louisiana University		328,236
Southern University and A&M College (Baton Rouge)		516,291
Southern University at New Orleans		242,661
Southern University at Shreveport-Bossier City		57,563
University of New Orleans		233,237
University of Southwestern Louisiana		499,269

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Student Financial Assistance Cluster: (Cont.)		
Federal Family Education Loans	84.032	
Direct Awards:		
Office of Student Financial Assistance		$20,793,170
Federal Work-Study Program	84.033	
Direct Awards:		
Delgado Community College		210,380
Elaine P. Nunez Community College		83,663
Grambling State University		838,064
LSU Agricultural Center		16,439
LSU and A&M College (Baton Rouge)		825,953
LSU at Alexandria		49,942
LSU at Eunice		53,419
LSU Medical Center (New Orleans)		43,075
LSU in Shreveport		86,963
Louisiana Tech University		504,504
McNeese State University		360,163
Nicholls State University		165,257
Northeast Louisiana University		836,754
Northwestern State University		146,617
Southeastern Louisiana University		363,610
Southern University and A&M College (Baton Rouge)		1,229,892
Southern University at New Orleans		229,545
Southern University at Shreveport-Bossier City		201,652
University of New Orleans		381,528
University of Southwestern Louisiana		765,667
Federal Perkins Loan Program - Federal Capital Contributions	84.038	
Direct Awards:		
Grambling State University		7,594
LSU and A&M College (Baton Rouge)		20,185
LSU at Eunice		8,505
LSU Medical Center (Shreveport)		6,373
Louisiana Tech University		53,663
McNeese State University		44,714
Northeast Louisiana University		59,618
Northwestern State University		110,364
University of New Orleans		55,536

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF EDUCATION (CONT.)		
Student Financial Assistance Cluster: (Cont.)		
Federal Pell Grant Program	84.063	
Direct Awards:		
Delgado Community College		$9,357,254
Department of Education		6,175,393
Elaine P. Nunez Community College		1,133,330
Grambling State University		9,056,409
LSU and A&M College (Baton Rouge)		7,556,024
LSU at Alexandria		1,399,819
LSU at Eunice		1,970,462
LSU Medical Center (New Orleans)		420,743
LSU Medical Center (Shreveport)		1,468
LSU in Shreveport		1,152,324
Louisiana Tech University		3,744,719
McNeese State University		3,616,611
Nicholls State University		3,043,688
Northeast Louisiana University		8,040,742
Northwestern State University		7,408,050
Southeastern Louisiana University		8,305,460
Southern University and A&M College (Baton Rouge)		10,816,017
Southern University at New Orleans		5,772,845
Southern University at Shreveport-Bossier City		1,746,039
University of New Orleans		6,698,829
University of Southwestern Louisiana		9,059,296
Subtotal Student Financial Assistance Cluster		139,624,544
Total U.S. Department of Education		$516,491,555
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041	
Direct Awards:		
Office of Elderly Affairs		$60,709
Special Programs for the Aging - Title VII, Chapter 2 - Long-Term Care Ombudsman Services for Older Individuals	93.042	
Direct Awards:		
Office of Elderly Affairs		65,000

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Special Programs for the Aging - Title III, Part F - Disease Prevention and Health Promotion Services	93.043	
Direct Awards:		
Office of Elderly Affairs		$196,698
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	
Direct Awards:		
Office of Elderly Affairs		4,971,537
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	
Direct Awards:		
Office of Elderly Affairs		5,912,751
Special Programs for the Aging - Title III, Part D - In-Home Services for Frail Older Individuals	93.046	
Direct Awards:		
Office of Elderly Affairs		125,752
Special Programs for the Aging - Title IV - Training, Research and Discretionary Projects and Programs	93.048	
Direct Awards:		
Grambling State University		12,943
Demonstration Grants for Residential Treatment for Women and Their Children	93.102	
Direct Awards:		
Department of Health and Hospitals		739,628
Food and Drug Administration - Research	93.103	
Direct Awards:		
Department of Agriculture		4,838
Maternal and Child Health Federal Consolidated Programs	93.110	
Through: Tulane University, New Orleans, LA		
LSU Medical Center (Shreveport)		23,335
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	
Direct Awards:		
Office of Public Health		1,560,860

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Grants for Technical Assistance Activities Related to the Block Grant for Community Mental Health Services -Technical Assistance Centers for Evaluation	93.119	
Direct Awards:		
Department of Health and Hospitals		$135,058
Nurse Anesthetist Traineeships	93.124	
Direct Awards:		
Medical Center of Louisiana at New Orleans		32,390
Mental Health Planning and Demonstration Projects	93.125	
Direct Awards:		
Department of Health and Hospitals		106,040
Emergency Medical Services for Children	93.127	
Direct Awards:		
Office of Public Health		50,248
Primary Care Services - Resource Coordination and Development Primary Care Offices	93.130	
Direct Awards:		
Office of Public Health		280,449
NIEHS Hazardous Waste Worker Health and Safety Training		
Through: United Brotherhood of Carpenters, Health, and Safety Fund of North America		
Delgado Community College	93.142	78,613
Projects for Assistance in Transition from Homelessness	93.150	
Direct Awards:		
Department of Health and Hospitals		308,619
Health Program for Toxic Substances and Disease Registry	93.161	
Direct Awards:		
Office of Public Health		13,946
Grants for State Loan Repayment	93.165	
Direct Awards:		
Office of Public Health		163,160
Research Related to Deafness and Communication Disorders	93.173	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,989

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Nursing Education Opportunities for Individuals from Disadvantaged Backgrounds	93.178	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		($8,541)
Cooperative Agreements for Drug Abuse Treatment Improvement Projects in Target Cities	93.196	
Direct Awards:		
Department of Health and Hospitals		2,915,937
Health Activities Recommendation Panel Health Activities	93.203	
Direct Awards:		
Office of Public Health		18,166
Family Planning - Services	93.217	
Direct Awards:		
Office of Public Health		3,540,236
Childhood Immunization Grants	93.268	
Direct Awards:		
Office of Public Health		1,993,666
Alcohol National Research Service Awards for Research Training	93.272	
Direct Awards:		
LSU Medical Center (Shreveport)		45,487
Alcohol Research Programs	93.273	
Direct Awards:		
Grambling State University		37,305
Mental Health National Research Service Awards for Research Training	93.282	
Direct Awards:		
Grambling State University		206,633
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	
Direct Awards:		
Office of Public Health		554,438
Through: University of California - Los Angeles		
LSU Medical Center (New Orleans)		14,496
Subtotal Centers for Disease Control and Prevention - Investigations and Technical Assistance		568,934

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Nurse Practitioner and Nurse-Midwifery Education Programs	93.298	
Direct Awards:		
Northwestern State University		$425,670
Professional Nurse Traineeships	93.358	
Direct Awards:		
Northwestern State University		49,543
Minority Biomedical Research Support	93.375	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		42
Cancer Cause and Prevention Research	93.393	
Direct Awards:		
Pennington Biomedical Research Center		7,535
Family Preservation and Support Services	93.556	
Direct Awards:		
Department of Social Services		4,344,568
Temporary Assistance for Needy Families	93.558	
Direct Awards:		
Department of Social Services		51,276,253
Family Support Payments to States - Assistance Payments	93.560	
Direct Awards:		
Department of Social Services		49,211,350
Job Opportunities and Basic Skills Training	93.561	
Direct Awards:		
Department of Social Services		5,683,767
Child Support Enforcement	93.563	
Direct Awards:		
Department of Social Services		14,988,122
Refugee and Entrant Assistance - State Administered Programs	93.566	
Direct Awards:		
Department of Social Services		890,539
Low-Income Home Energy Assistance	93.568	
Direct Awards:		
Department of Social Services		8,484,038

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Community Services Block Grant	93.569	
Direct Awards:		
Department of Labor		$9,544,701
Community Services Block Grant Discretionary Awards - Community Food and Nutrition	93.571	
Direct Awards:		
Department of Labor		58,243
Emergency Community Services for the Homeless	93.572	
Direct Awards:		
Department of Labor		56,193
Child Care and Development Block Grant	93.575	
Direct Awards:		
Department of Social Services		25,466,843
Refugee and Entrant Assistance - Discretionary Grants	93.576	
Direct Awards:		
Office of Public Health		29,033
Refugee and Entrant Assistance - Targeted Assistance	93.584	
Direct Awards:		
Department of Social Services		63,297
Empowerment Zones Program	93.585	
Direct Awards:		
Department of Social Services		2,203,267
State Court Improvement Program	93.586	
Direct Awards:		
Supreme Court of Louisiana		52,782
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	
Direct Awards:		
Department of Social Services		9,463,036
Head Start	93.600	
Direct Awards:		
Department of Social Services		3,054

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Child Welfare Research and Demonstration	93.608	
Direct Awards:		
Grambling State University		($4,198)
Developmental Disabilities Basic Support and Advocacy Grants	93.630	
Direct Awards:		
Department of Health and Hospitals		1,295,309
Children's Justice Grants to States	93.643	
Direct Awards:		
Department of Social Services		193,922
Child Welfare Services - State Grants	93.645	
Direct Awards:		
Department of Social Services		6,118,010
Child Welfare Services Training Grants	93.648	
Direct Awards:		
Southern University at New Orleans		295
Foster Care - Title IV-E	93.658	
Direct Awards:		
Department of Social Services		47,327,642
Adoption Assistance	93.659	
Direct Awards:		
Department of Social Services		4,542,028
Social Services Block Grant	93.667	
Direct Awards:		
Department of Social Services		32,635,532
Child Abuse and Neglect Discretionary Activities	93.670	
Direct Awards:		
Department of Social Services		218,745
Family Violence Prevention and Services - Grants to States and Indian Tribes	93.671	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		146,394
Office of Women's Services		549,258
Subtotal Family Violence Prevention and Services - Grants to States and Indian Tribes		695,652

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Community-Based Prevention Program	93.672	
Direct Awards:		
Department of Social Services		$189,365
Independent Living	93.674	
Direct Awards:		
Department of Social Services		1,169,795
Health Care Financing Research, Demonstrations and Evaluations	93.779	
Direct Awards:		
Department of Insurance		161,832
Cell Biology and Biophysics Research	93.821	
Direct Awards:		
LSU Medical Center (Shreveport)		15,608
Health Careers Opportunity Program	93.822	
Direct Awards:		
LSU Medical Center (Shreveport)		43,946
Heart and Vascular Diseases Research	93.837	
Direct Awards:		
LSU Medical Center (Shreveport)		16,727
Pennington Biomedical Research Center		89,442
Subtotal Heart and Vascular Diseases Research		106,169
Minority Access to Research Careers	93.880	
Direct Awards:		
LSU and A&M College (Baton Rouge)		6,842
LSU Medical Center (Shreveport)		22,683
Subtotal Minority Access to Research Careers		29,525
Grants for Physician Assistant Training Program	93.886	
Direct Awards:		
LSU Medical Center (Shreveport)		127,130
Model Comprehensive Drug Abuse Treatment Programs for Critical Populations	93.902	
Direct Awards:		
Department of Health and Hospitals		129,172

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Model Criminal Justice Drug Abuse Treatment for Incarcerated Populations, Non-Incarcerated Populations and Juvenile Justice Populations	93.903	
Direct Awards:		
Department of Public Safety and Corrections - Corrections Services		$148,825
Grants to States for Operation of Offices of Rural Health	93.913	
Direct Awards:		
Office of Public Health		55,190
HIV Care Formula Grants	93.917	
Direct Awards:		
Office of Public Health		5,901,277
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	
Direct Awards:		
Office of Public Health		160,887
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	
Direct Awards:		
Northwestern State University		124,279
Southeastern Louisiana University		77,179
Subtotal Scholarships for Health Professions Students from Disadvantaged Backgrounds		201,458
Comprehensive Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	
Direct Awards:		
Department of Education		226,554
Prevention Activities - Health Department Based	93.940	
Direct Awards:		
Office of Public Health		2,592,196
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	
Direct Awards:		
Office of Public Health		1,474,668

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Assistance Program for Chronic Disease Prevention and Control	93.945	
Direct Awards:		
Office of Public Health		$72,697
Block Grants for Community Mental Health Services	93.958	
Direct Awards:		
Department of Health and Hospitals		3,899,550
Block Grants for Prevention and Treatment of Substance Abuse	93.959	
Direct Awards:		
Department of Health and Hospitals		18,943,879
Preventive Health Services - Sexually Transmitted Diseases Control Grants	93.977	
Direct Awards:		
Office of Public Health		1,157,782
Mental Health Disaster Assistance and Emergency Mental Health	93.982	
Direct Awards:		
Department of Health and Hospitals		(180,493)
Preventive Health and Health Services Block Grant	93.991	
Direct Awards:		
Office of Public Health		4,998,648
Maternal and Child Health Services Block Grant to the States	93.994	
Direct Awards:		
Office of Public Health		13,748,715
Database for the Usher Syndrome Consortium	Unknown	
Direct Awards:		
LSU Medical Center (New Orleans)		8,726
Family Preservation - Madison Parish	Unknown	
Through: Delta Community Action Agency		
LSU Agricultural Center		10,142
Family Preservation Project - Orleans Parish	Unknown	
Through: Volunteers of America of Greater New Orleans, Inc.		
LSU Agricultural Center		12,156
Family Preservation - Tensas Parish	Unknown	
Through: Delta Community Action Agency		
LSU Agricultural Center		13,173

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Family Preservation/Support Program - Tensas Parish	Unknown	
Through: Delta Community Action Agency		
LSU Agricultural Center		$21,817
Family Preservation/Support Program - Tensas/Madison Parishes	Unknown	
Through: Delta Community Action Agency		
LSU Agricultural Center		25,498
Family Protection, Red River	Unknown	
Through: Thirty-Ninth Judicial District Court		
LSU Agricultural Center		4,315
Federal Parent Locator Service-Crossmatch	90-4cmla-008	
Direct Awards:		
Department of Labor		14,100
Food Inspection	223-96-4119	
Direct Awards:		
Office of Public Health		36,160
Home Visitation Parent Coach Program - Catahoula Parish	Unknown	
Through: Caring Connections		
LSU Agricultural Center		48,108
Home Visitation Parent Coach Program - Concordia Parish	Unknown	
Through: Caring Connections		
LSU Agricultural Center		47,293
Implementation of the Uniform Alcohol and Drug Abuse Data Collection System	283-95-0020	
Direct Awards:		
Department of Health and Hospitals		35,902
MBRS Program	55146GM04531-08	
Direct Awards:		
Grambling State University		170,004
National Youth Sports Program		
Through: National Collegiate Athletic Association		
Northeast Louisiana University	97-102	29,395
Southern University and A&M College (Baton Rouge)	Unknown	12,099
Subtotal National Youth Sports Program		41,494

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Partnership for Minority Access to Baccalaureate	2R25GM51773-02	
Direct Awards:		
Grambling State University		$48,043
Provide Educational Training in Iberville Project	Unknown	
Through: Housing Authority of New Orleans		
LSU Medical Center (New Orleans)		6,709
Rural Health Care Transition - Wellness Program - Fixed Price Contract	Unknown	
Through: South Cameron Memorial Hospital		
LSU Agricultural Center		2,000
Seafood Inspection	223-95-4119, 223-96-4119	
Direct Awards:		
Office of Public Health		15,949
SSA/SSI Referral and Monitoring Contract	0600-94-12734	
Direct Awards:		
Department of Health and Hospitals		4,059
State Demand and Needs Assessment Studies: Alcohol and Other Drugs	270-94-0028	
Direct Awards:		
Department of Health and Hospitals		735,908
State Prevention Needs Assessment: Alcohol and Other Drugs	277-95-1036	
Direct Awards:		
Department of Health and Hospitals		220,337
Stroke Prevention	M01-HO-39216	
Direct Awards:		
Office of Public Health		20,843
Vital Statistics Cooperative	200-95-7218	
Direct Awards:		
Office of Public Health		191,197
Medicaid Cluster:		
State Medicaid Fraud Control Units	93.775	
Direct Awards:		
Department of Justice		541,409

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Medicaid Cluster: (Cont.)		
State Survey and Certification of Health Care Providers and Suppliers	93.777	
Direct Awards:		
Department of Health and Hospitals		$4,929,391
Medical Assistance Program	93.778	
Direct Awards:		
Department of Health and Hospitals		2,704,069,338
Subtotal Medicaid Cluster		2,709,540,138
Research and Development Cluster:		
Maternal and Child Health Federal Consolidated Programs	93.110	
Direct Awards:		
LSU Medical Center (New Orleans)		33,753
Office of Public Health		108,611
Biological Response to Environmental Health Hazards	93.113	
Direct Awards:		
LSU and A&M College (Baton Rouge)		220,550
LSU Medical Center (New Orleans)		183,204
LSU Medical Center (Shreveport)		206,430
Northeast Louisiana University		8,453
Pennington Biomedical Research Center		104,126
Through: University of Florida		
LSU and A&M College (Baton Rouge)		18,725
Applied Toxicological Research and Testing	93.114	
Direct Awards:		
Northeast Louisiana University		22,568
Oral Diseases and Disorders Research	93.121	
Direct Awards:		
LSU and A&M College (Baton Rouge)		145,711
LSU Medical Center (New Orleans)		663,558
Financial Assistance for Disadvantaged Health Professions Students	93.139	
Direct Awards:		
LSU Medical Center (New Orleans)		18,186
National AIDS Education and Training Centers	93.145	
Direct Awards:		
LSU Medical Center (New Orleans)		346,707

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Research and Development Cluster: (Cont.)		
Health Program for Toxic Substances and Disease Registry	93.161	
Direct Awards:		
Northeast Louisiana University		$67,988
Office of Public Health		212,595
Human Genome Research	93.172	
Direct Awards:		
LSU and A&M College (Baton Rouge)		322,315
LSU Medical Center (New Orleans)		27,149
Research Related to Deafness and Communication Disorders	93.173	
Direct Awards:		
LSU and A&M College (Baton Rouge)		136,136
LSU Medical Center (New Orleans)		1,154,897
Pennington Biomedical Research Center		93,296
Through: University of Maryland		
Pennington Biomedical Research Center		17,947
Biological Models and Materials Research	93.198	
Through: Indiana University		
Pennington Biomedical Research Center		47,305
Through: The Trustees of Indiana University		
LSU and A&M College (Baton Rouge)		293
Mental Health Research Grants	93.242	
Direct Awards:		
Department of Health and Hospitals		85,089
LSU Medical Center (New Orleans)		136,809
LSU Medical Center (Shreveport)		354,852
Pennington Biomedical Research Center		489,469
University of New Orleans		10,434
Alcohol Research Career Development Awards for Scientists and Clinicians	93.271	
Direct Awards:		
LSU Medical Center (Shreveport)		6,117
Alcohol National Research Service Awards for Research Training	93.272	
Direct Awards:		
LSU Medical Center (New Orleans)		8,784

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Research and Development Cluster: (Cont.)		
Alcohol Research Programs	93.273	
Direct Awards:		
Grambling State University		$15,493
LSU and A&M College (Baton Rouge)		102,972
LSU Medical Center (New Orleans)		542,412
LSU Medical Center (Shreveport)		201,616
Drug Abuse Scientist Development Awards, Research *Scientist Development Awards, and Research Scientist Awards*	93.277	
Direct Awards:		
LSU Medical Center (New Orleans)		155,538
Drug Abuse National Research Service Awards for Research Training	93.278	
Direct Awards:		
LSU Medical Center (New Orleans)		33,437
University of New Orleans		14,452
Drug Abuse Research Programs	93.279	
Direct Awards:		
LSU and A&M College (Baton Rouge)		106,223
LSU Medical Center (New Orleans)		1,029,367
LSU Medical Center (Shreveport)		834,523
University of New Orleans		55,130
Mental Health Research Career/Scientist Development Awards	93.281	
Direct Awards:		
LSU Medical Center (New Orleans)		71,242
LSU Medical Center (Shreveport)		96,495
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	
Direct Awards:		
Office of Public Health		387,715
Comparative Medicine	93.306	
Direct Awards:		
LSU and A&M College (Baton Rouge)		88,512
LSU Medical Center (Shreveport)		76,497
University of Southwestern Louisiana		927,919

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Research and Development Cluster: (Cont.)		
Clinical Research	93.333	
Direct Awards:		
LSU Medical Center (New Orleans)		$54,548
Biomedical Research Support	93.337	
Direct Awards:		
LSU and A&M College (Baton Rouge)		108,347
LSU Medical Center (New Orleans)		203,182
Professional Nurse Traineeships	93.358	
Direct Awards:		
LSU Medical Center (New Orleans)		68,888
Biomedical Technology	93.371	
Direct Awards:		
LSU Medical Center (Shreveport)		215,249
Minority Biomedical Research Support	93.375	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		592,583
Research Infrastructure	93.389	
Direct Awards:		
LSU Medical Center (Shreveport)		59,912
Southern University and A&M College (Baton Rouge)		564,503
Academic Research Enhancement Award	93.390	
Direct Awards:		
LSU Agricultural Center		920
Northeast Louisiana University		8,124
University of Southwestern Louisiana		19,769
Cancer Cause and Prevention Research	93.393	
Direct Awards:		
LSU and A&M College (Baton Rouge)		40,599
LSU Medical Center (New Orleans)		751,430
LSU Medical Center (Shreveport)		145,426

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Research and Development Cluster: (Cont.)		
Cancer Detection and Diagnosis Research	93.394	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$99,108
LSU Medical Center (New Orleans)		94,359
Through: Cornell University Medical College		
LSU and A&M College (Baton Rouge)		33,674
Cancer Treatment Research	93.395	
Direct Awards:		
LSU Medical Center (New Orleans)		19,243
LSU Medical Center (Shreveport)		42,653
Through: Cancer Treatment Research Center, San Antonio, TX		
LSU Medical Center (Shreveport)		60,668
Cancer Biology Research	93.396	
Direct Awards:		
LSU Medical Center (New Orleans)		39,627
LSU Medical Center (Shreveport)		53,480
Cancer Centers Support	93.397	
Direct Awards:		
LSU Medical Center (New Orleans)		256,450
Through: Cancer Treatment Research Center, San Antonio, TX		
LSU Medical Center (Shreveport)		8,600
Cancer Research Manpower	93.398	
Direct Awards:		
LSU Medical Center (New Orleans)		45,258
Cancer Control	93.399	
Direct Awards:		
LSU Medical Center (New Orleans)		325,166
LSU Medical Center (Shreveport)		23,528
Developmental Disabilities University Affiliated Programs	93.632	
Direct Awards:		
LSU Medical Center (New Orleans)		269,035
Family Violence Prevention and Services - Grants to States and Indian Tribes	93.671	
Through: Central State University		
Southern University and A&M College (Baton Rouge)		144,887

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Research and Development Cluster: (Cont.)		
Cell Biology and Biophysics Research	93.821	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$394,231
LSU Medical Center (Shreveport)		125,347
Health Careers Opportunity Program	93.822	
Direct Awards:		
LSU Medical Center (New Orleans)		313,809
Area Health Education Centers	93.824	
Direct Awards:		
LSU Medical Center (New Orleans)		471,125
Heart and Vascular Diseases Research	93.837	
Direct Awards:		
LSU Medical Center (New Orleans)		710,239
LSU Medical Center (Shreveport)		438,188
Pennington Biomedical Research Center		299,100
Through: Loyola of Chicago		
LSU Medical Center (Shreveport)		30,289
Lung Diseases Research	93.838	
Direct Awards:		
LSU and A&M College (Baton Rouge)		89,459
LSU Medical Center (New Orleans)		281,360
LSU Medical Center (Shreveport)		92,662
Through: John Hopkins University		
LSU and A&M College (Baton Rouge)		50,436
Blood Diseases and Resources Research	93.839	
Direct Awards:		
LSU Medical Center (New Orleans)		200,494
Arthritis, Musculoskeletal and Skin Diseases Research	93.846	
Direct Awards:		
LSU Medical Center (New Orleans)		(71,849)
Pennington Biomedical Research Center		17,935

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Research and Development Cluster: (Cont.)		
Diabetes, Endocrinology and Metabolism Research	93.847	
Direct Awards:		
LSU Medical Center (New Orleans)		$265,393
LSU Medical Center (Shreveport)		172,072
Pennington Biomedical Research Center		668,268
Digestive Diseases and Nutrition Research	93.848	
Direct Awards:		
LSU Medical Center (New Orleans)		260,250
LSU Medical Center (Shreveport)		1,201,767
Pennington Biomedical Research Center		1,251,692
Kidney Diseases, Urology and Hematology Research	93.849	
Direct Awards:		
LSU Medical Center (New Orleans)		122,764
LSU Medical Center (Shreveport)		356,707
Clinical Research Related to Neurological Disorders	93.853	
Direct Awards:		
LSU Medical Center (New Orleans)		5,037
Biological Basis Research in the Neurosciences	93.854	
Direct Awards:		
LSU Medical Center (New Orleans)		591,818
LSU Medical Center (Shreveport)		397,495
Allergy, Immunology and Transplantation Research	93.855	
Direct Awards:		
LSU Medical Center (New Orleans)		142,746
LSU Medical Center (Shreveport)		854
Microbiology and Infectious Diseases Research	93.856	
Direct Awards:		
LSU and A&M College (Baton Rouge)		144,647
LSU Medical Center (New Orleans)		346,076
LSU Medical Center (Shreveport)		404,747
Through: Shreveport Bio-Tech, Inc., Shreveport, LA		
LSU Medical Center (Shreveport)		26,052

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Research and Development Cluster: (Cont.)		
Pharmacology, Physiology, and Biological Chemistry Research	93.859	
Direct Awards:		
LSU and A&M College (Baton Rouge)		$77,843
LSU Medical Center (Shreveport)		172,865
Genetics and Developmental Biology Research	93.862	
Direct Awards:		
LSU Medical Center (New Orleans)		194,132
LSU Medical Center (Shreveport)		496,008
Cellular and Molecular Basis of Disease Research	93.863	
Direct Awards:		
LSU Medical Center (New Orleans)		(1,180)
Northeast Louisiana University		28,825
Research for Mothers and Children	93.865	
Direct Awards:		
LSU Medical Center (New Orleans)		166,331
LSU Medical Center (Shreveport)		343,271
Pennington Biomedical Research Center		268,399
Aging Research	93.866	
Direct Awards:		
LSU Medical Center (New Orleans)		528,115
Northeast Louisiana University		(242)
Vision Research	93.867	
Direct Awards:		
LSU Medical Center (New Orleans)		3,007,773
Medical Library Assistance	93.879	
Direct Awards:		
LSU Medical Center (New Orleans)		(51)
Minority Access to Research Careers	93.880	
Direct Awards:		
LSU and A&M College (Baton Rouge)		9,383
Alcohol Research Center Grants	93.891	
Direct Awards:		
LSU Medical Center (New Orleans)		1,234,662

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Research and Development Cluster: (Cont.)		
Grants for Predoctoral Training in Family Medicine	93.896	
Direct Awards:		
LSU Medical Center (New Orleans)		($337)
Residency Training and Advanced Education in the General Practice of Dentistry	93.897	
Direct Awards:		
LSU Medical Center (New Orleans)		166,353
Communications Programs for Demonstrating the Prevention of Alcohol and Drug Problems	93.901	
Direct Awards:		
LSU Medical Center (New Orleans)		96,160
Rural Outreach - Rural Network Development Program	93.912	
Through: Concordia Substance Abuse Council		
LSU and A&M College (Baton Rouge)		9,036
Scholarships for Health Professions Students from Disadvantaged Backgrounds	93.925	
Direct Awards:		
LSU Medical Center (New Orleans)		61,778
University of Southwestern Louisiana		138,000
Healthy Start Initiative	93.926	
Direct Awards:		
LSU Medical Center (New Orleans)		115,807
Fogarty International Research Collaboration Award	93.934	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,959
LSU Medical Center (Shreveport)		22,520
Epidemiologic Research Studies of Acquired Immunodeficiency Syndrome (AIDS) and Human Immunodeficiency Virus (HIV) Infection in Selected Population Groups	93.943	
Direct Awards:		
LSU Medical Center (New Orleans)		140,036
Assistance Program for Chronic Disease Prevention and Control	93.945	
Direct Awards:		
Office of Public Health		260,696

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Research and Development Cluster: (Cont.)		
Special Minority Initiatives	93.960	
Direct Awards:		
LSU Medical Center (Shreveport)		$64,132
Preventive Health Services - Sexually Transmitted Diseases Research, Demonstrations, and Public Information and Education Grants	93.978	
Direct Awards:		
LSU Medical Center (New Orleans)		441
Office of Public Health		599,821
Senior International Fellowships	93.989	
Direct Awards:		
LSU and A&M College (Baton Rouge)		1,196
Armadillo/Leprosy Contract - Fixed Price Contract	258-96-0009	
Direct Awards:		
LSU and A&M College (Baton Rouge)		70,700
Bioavailability and Metabolism of Dietary Carcinogens	3203538-12	
Through: University of Florida		
LSU and A&M College (Baton Rouge)		13
Determine Genetic Susceptibility to Lung Cancer	NO1-HG-65404	
Direct Awards:		
LSU Medical Center (New Orleans)		116,225
Epidemiologic Study of Black/White Differences	NO1-CN-45175	
Direct Awards:		
LSU Medical Center (New Orleans)		30,203
Health Effects of Chlorinated Compounds	ES07375/3203525-12	
Through: University of Florida		
LSU and A&M College (Baton Rouge)		37,965
Infant Mortality Review	93-44968-01B	
Direct Awards:		
LSU Medical Center (New Orleans)		40,001
National AETC Workshop Plan	103HR95104IP	
Direct Awards:		
LSU Medical Center (New Orleans)		750

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONT.)		
Research and Development Cluster: (Cont.)		
Repair of Hair Bundles in Sea Anemones	1 R01 GM52334001A1	
Direct Awards:		
University of Southwestern Louisiana		$79,131
Repair of Hair Bundles in Sea Anemones	NO1-NS-5-2323	
Direct Awards:		
University of Southwestern Louisiana		417,224
Research Infrastructure Program	1611HD34961-01	
Direct Awards:		
Grambling State University		24,328
Screening of Compounds for Anti-Tuberculosis Activity - Fixed Price Contract	258-95-0010	
Direct Awards:		
LSU and A&M College (Baton Rouge)		279,301
Substance Abuse Evaluation/Therapy to HIV Client	96-64-092	
Direct Awards:		
LSU Medical Center (New Orleans)		1,226
TMJ Function and Mechanics: Experimental Models	388743	
Through: University of Washington		
Louisiana Tech University		2,569
Subtotal Research and Development Cluster		33,445,394
Student Financial Assistance Cluster:		
Nursing Student Loans	93.364	
Direct Awards:		
LSU at Eunice		8
LSU Medical Center (New Orleans)		27,279
Subtotal Student Financial Assistance Cluster		27,287
Total U.S. Department of Health and Human Services		$3,099,613,326

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE		
Louisiana Serve Grants Program	94.001	
Through: State of Arkansas		
Office of Lieutenant Governor		$34,936
Retired Senior Volunteer Program	94.002	
Direct Awards:		
Northeast Louisiana University		37,369
State Commissions	94.003	
Direct Awards:		
Office of Lieutenant Governor		225,823
Learn and Serve America - School and Community Based Programs	94.004	
Direct Awards:		
Department of Education		309,480
Office of Lieutenant Governor		177,686
Subtotal Learn and Serve America - School and Community Based Programs		487,166
Learn and Serve America - Higher Education	94.005	
Direct Awards:		
Southern University and A&M College (Baton Rouge)		28,250
Americorps	94.006	
Direct Awards:		
Office of Lieutenant Governor		1,252,744
Training and Technical Assistance	94.009	
Direct Awards:		
Office of Lieutenant Governor		22,672
Foster Grandparent, Senior Companion Cluster:		
Foster Grandparent Program	94.011	
Direct Awards:		
Pinecrest Developmental Center		248,181
Total Corporation for National and Community Service		$2,337,141

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
EXECUTIVE OFFICE OF THE PRESIDENT		
Office of National Drug Control Policy - Louisiana Gulf Coast Initiative	I7PGCP501	
Direct Awards:		
Department of Public Safety and Corrections - Public Safety Services		$62,839
Total Executive Office of the President		$62,839
SOCIAL SECURITY ADMINISTRATION		
Social Security - Disability Insurance	96.001	
Direct Awards:		
Department of Social Services		$30,431,610
Total Social Security Administration		$30,431,610
OTHER FEDERAL GRANTS AND CONTRACTS		
Louisiana Vision of Fairness	SJI-96-20G-A-090	
Through: State Justice Institute		
Supreme Court of Louisiana		$20,119
USAID General Agriculture Training Program	Unknown	
Through: Consortium for International Development		
LSU Agricultural Center		394
Very Special Arts Grant - Fixed Price Contract	20250	
Direct Awards:		
Department of Education		8,553
Research and Development Cluster:		
Cooperation in Applied Science and Technology (CAST)	Unknown	
Through: National Research Council		
LSU and A&M College (Baton Rouge)		3,115
DNA Sequence for Identification of Human Population	97-F130100-00	
Through: Central Intelligence Agency		
LSU Medical Center (New Orleans)		136
Feasibility Study of the Seaport of St. Petersburg Refrigerated Cargo Terminal - Fixed Price Contract	Unknown	
Through: Stevedoring Services of America		
LSU and A&M College (Baton Rouge)		14,400

(Continued)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

STATE OF LOUISIANA
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

	CFDA OR OTHER NUMBER	ACTIVITY
OTHER FEDERAL GRANTS AND CONTRACTS (CONT.)		
Research and Development Cluster: (Cont.)		
Geographic Information Systems and Control of Snail-Borne Diseases	25419.000	
Through: Medical Service Corporation International		
LSU and A&M College (Baton Rouge)		$28,022
Melastic Damage Model for Anisotropic Materials Under Cyclic Loads	Unknown	
Through: National Research Council		
LSU and A&M College (Baton Rouge)		14,644
Office of Research and Development: Economic Impacts of NDV on Agricultural Targets: A Representative Case Study	96-F15200-000	
Direct Awards:		
LSU and A&M College (Baton Rouge)		80,585
Office of Research and Development: Strain Identification	96-F152400-000	
Direct Awards:		
LSU and A&M College (Baton Rouge)		156,859
Proposal for Feasibility Study for Turkmenbashi Port Development	Unknown	
Through: Louis Berger and Associates		
LSU and A&M College (Baton Rouge)		35,740
Transportation System and Infrastructure Analysis for Export of Logs and Wood - Fixed Price Contract	95-814B	
Through: Global Forestry Management Group		
LSU and A&M College (Baton Rouge)		36,692
U.S. Commission on Immigration Reform: Binational Study of Migration Between Mexico and the U.S. - Fixed Price Contract	T 39270801	
Direct Awards:		
LSU and A&M College (Baton Rouge)		9,600
Subtotal Research and Development Cluster		379,793
Total Other Federal Grants and Contracts		$408,859
TOTAL STATE OF LOUISIANA		**$5,337,800,996**

(Concluded)

See accompanying Notes to the Schedule of Expenditures of Federal Awards.

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STATE OF LOUISIANA

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1997

A. PURPOSE OF THE SCHEDULE

Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires a schedule of expenditures of federal awards showing total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number for each program when the CFDA number is not available. To comply with this requirement, the Executive Department, Division of Administration required each state agency, hospital, and university to prepare a schedule of expenditures of federal awards. These schedules were combined to form the Schedule of Expenditures of Federal Awards for the State of Louisiana.

B. REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards includes all federal financial assistance received directly from federal agencies, local governments, and other states that was expended or issued by the State of Louisiana during the year ended June 30, 1997. In addition, the schedule includes other federal financial assistance provided by private organizations and establishments that certain agencies and universities expended during the year then ended.

C. BASIS OF ACCOUNTING

The Integrated Statewide Information Systems of the State of Louisiana currently do not have the capacity to provide expenditures of awards for each federal program in accordance with generally accepted accounting principles. Therefore, except as explained in the following paragraphs, expenditures of federal awards presented in the Schedule of Expenditures of Federal Awards represent cash disbursements of the individual programs. Consequently, certain expenditures (activity) are recognized when paid rather than when obligations are incurred. Accordingly, the information presented in the schedule is not intended to present federal program expenditures in conformity with generally accepted accounting principles.

Indirect Costs - Certain costs, such as those associated with budgeting, accounting, personnel administration, et cetera, benefit more than one program but are not readily assignable to the programs receiving the benefits. Some agencies, hospitals, and universities apply a federally approved indirect cost rate to direct program costs to recover a portion of these indirect costs from federal grants or contracts. Indirect costs charged to federal grants and contracts by means of approved indirect cost rates are recognized as disbursements or expenditures in the accompanying Schedule of Expenditures of Federal Awards.

Department of Labor - Significant transactions of the Department of Labor are processed through the department's electronic data processing cost accounting system, which produces information on the modified accrual basis of accounting, rather than through the state's

Integrated Statewide Information Systems. Therefore, the information presented in the Schedule of Expenditures of Federal Awards for the Department of Labor was derived from the department's cost accounting system and represents expenditures of federal awards on the modified accrual basis of accounting. Consequently, expenditures are recognized when the related liability is incurred.

Public Institutions of Higher Education - Except as explained in the following paragraph, the expenditures of federal awards for the public institutions of higher education are presented on the modified accrual basis of accounting. Consequently, expenditures are recognized when the related liability is incurred.

Fixed Price Contracts - These contracts provide that a specified amount of funds will be paid upon delivery of a product, generally, a report on the results of a research study. As a result, the amount of federal awards that may be expended under fixed price contracts is limited to the amount of funds received from the contracts, regardless of the amount of costs incurred to perform the contracts or the period in which those costs were incurred. Therefore, the information presented in the Schedule of Expenditures of Federal Awards for fixed price contracts represents federal funds received on the cash basis of accounting. Consequently, expenditures (activity) are recognized when the related asset is received and in the amount of the asset received, rather than when the obligation is incurred and in the amount of the obligation.

Donations - Activity of the Donation of Federal Surplus Personal Property Program is reported in the Schedule of Expenditures of Federal Awards at original acquisition cost to the federal government when the property is received by the State of Louisiana.

Issues - Issues of the Food Stamp Program are reported in the Schedule of Expenditures of Federal Awards at the dollar value of the food stamp coupons when the coupons are issued by local governing authorities to food stamp recipients. Issues of the Food Stamp Program also include the amount actually expended for food purchases by recipients who obtain their benefits through electronic benefit transfer. Issues of the commodities program are reported in the Schedule of Expenditures of Federal Awards at the federally assigned value of the commodities when they are issued to public and private school systems and nonprofit organizations.

D. TRANSFERS OF FEDERAL FUNDS AMONG STATE AGENCIES, HOSPITALS, AND UNIVERSITIES

The accompanying Schedule of Expenditures of Federal Awards presents expenditures (activity) for the state agencies, including hospitals and universities that initially received the assistance. In some instances, assistance received by one agency is transferred to a subrecipient state agency, hospital, or university to be expended for the original program or, when allowed by the original program, to be expended for other federal programs. In those

instances, federal award expenditures (activity) are reflected for the agency that initially received the assistance from a federal, local, or other state government.

E. FEDERAL FAMILY EDUCATION LOANS

The Office of Student Financial Assistance (OSFA) guarantees 100 percent of the loans made to students under the Federal Family Education Loans Program (CFDA 84.032). The federal government reimburses OSFA a percentage of the defaulted claims payments to lenders on certain defaulted loans, and when defaulted loans are collected, OSFA returns a percentage of the amount collected to the federal government. During the year ended June 30, 1997, OSFA paid lending institutions $28,362,026 for defaulted student loans, and the average federal participation in these default payments was 99.1 percent. New loans made to students during the year ended June 30, 1997, which are guaranteed by OSFA, amounted to $169,473,883. As of June 30, 1997, the outstanding balance of all loans made under the Federal Family Education Loans Program guaranteed by OSFA amounted to $930,137,826.

F. HEALTH EDUCATION ASSISTANCE LOANS

Certain lending institutions make loans under the Health Education Assistance Loans Program (CFDA 93.108) to graduate students who are enrolled in eligible health profession educational programs. The loans are insured by the federal government, which pays lenders the amount of losses incurred when borrowers default on the loan payments. During the year ended June 30, 1997, loans totaling $1,519 were made to students at Louisiana State University Medical Center (New Orleans).

G. FEDERAL DIRECT STUDENT LOANS

The federal government provides loan capital directly to vocational, undergraduate, and graduate students, and their parents under the Federal Direct Student Loan Program (CFDA 84.268) officially known as the William O. Ford Federal Direct Loan Program. During the year ended June 30, 1997, loans totaling $2,580 and $2,372,625 were made to students at the campuses of Southern University and A&M College (Baton Rouge) and Southern University at New Orleans, respectively.

H. UNEMPLOYMENT INSURANCE PROGRAM

The Unemployment Insurance Program (CFDA 17.225) is administered through a unique federal-state partnership that was founded upon federal law, but implemented through state law. For the purposes of presenting the expenditures of this program in the accompanying Schedule of Expenditures of Federal Awards, both state and federal funds have been considered federal awards expended. The breakdown of the state and federal portions of the total program expenditures is as follows:

STATE OF LOUISIANA
Notes to the Schedule of Expenditures of Federal Awards
(Continued)

State Portion (Benefits Paid)	$150,745,736
Federal Portion (Administrative Costs)	22,064,721
Total	$172,810,457

I. PETROLEUM VIOLATION ESCROW FUNDS

Petroleum Violation Escrow Funds are monies that were provided to the state by the U.S. Department of Energy (DOE). These distributions were the result of legislative, administrative, and judicial actions involving violations of DOE's price and allocation controls in effect from August 1973 through January 1981. These controls applied to the allocation and pricing of crude oil and refined petroleum products. The funds include Warner Amendment funds, Exxon funds, and Multi-District Litigation (M.D.L.) Number 378 "Stripper Well" funds and are sometimes referred to as Federal Energy Settlement funds. Court orders and consent decrees relative to the lawsuits that resulted in these distributions imposed restrictions on the way the state can administer and use these monies.

J. NURSING STUDENT LOANS AND HEALTH PROFESSIONS STUDENT LOANS, INCLUDING PRIMARY CARE LOANS/LOANS FOR DISADVANTAGED STUDENTS

Public institutions of higher education receive federal capital contributions under the Nursing Student Loans Program (CFDA 93.364) and the Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students Program (CFDA 93.342) to make low-interest loans to eligible students to assist them in meeting their educational needs. The amount of new loans made during the year and the outstanding balances of loans made under these programs as of June 30, 1997, are presented in the following schedule.

STATE OF LOUISIANA
Notes to the Schedule of Expenditures of Federal Awards
(Continued)

Hospital/University	Nursing Student Loans: Loans Made During the Year Ended June 30, 1997	Nursing Student Loans: Outstanding Balance June 30, 1997	Health Professions Student Loans: Loans Made During the Year Ended June 30, 1997	Health Professions Student Loans: Outstanding Balance June 30, 1997
Grambling State University		$319,561		
LSU and A&M College (Baton Rouge)				$11,252
LSU at Eunice		5,419		
LSU Medical Center (New Orleans)	$126,821	626,758	$1,194,129	6,475,351
LSU Medical Center (Shreveport)				878,371
Medical Center of Louisiana at New Orleans		82,176		
Nicholls State University		8,494		
Northeast Louisiana University		73,884	179,557	1,124,629
Northwestern State University		188,472		
Southeastern Louisiana University		44,122		
University of Southwestern Louisiana	31,826	253,841		
Total	$158,647	$1,602,727	$1,373,686	$8,489,603

K. FEDERAL PERKINS LOAN PROGRAM - FEDERAL CAPITAL CONTRIBUTIONS

Public institutions of higher education receive federal capital contributions under the Federal Perkins Loan Program - Federal Capital Contributions (CFDA 84.038) to make low-interest loans to eligible students to assist them in meeting their educational needs. The amount of new loans made during the year and the outstanding balances of loans made under this program as of June 30, 1997, are presented in the following schedule.

University	Perkins Loans: Loans Made During the Year Ended June 30, 1997	Perkins Loans: Outstanding Balance June 30, 1997
Delgado Community College		$6,548
Grambling State University	$151,879	1,998,914
LSU and A&M College (Baton Rouge)	2,229,088	11,799,626
LSU at Eunice	108,052	473,159

STATE OF LOUISIANA
Notes to the Schedule of Expenditures of Federal Awards
(Continued)

University (Cont.)	Perkins Loans: Loans Made During the Year Ended June 30, 1997	Perkins Loans: Outstanding Balance June 30, 1997
LSU Medical Center (New Orleans)	$341,597	$2,195,138
LSU Medical Center (Shreveport)	127,460	930,633
Louisiana Tech University	1,173,975	6,897,233
McNeese State University	337,227	1,940,295
Nicholls State University	5,362	76,235
Northeast Louisiana University	752,746	4,273,937
Northwestern State University	329,305	2,573,211
Southeastern Louisiana University	126,602	1,842,281
Southern University and A&M College (Baton Rouge)		2,362,594
Southern University at New Orleans		84,174
Southern University at Shreveport-Bossier City		674,614
University of New Orleans	363,387	4,186,624
University of Southwestern Louisiana	304,201	7,820,482
Total	$6,350,881	$50,135,698

L. FEDERAL PERKINS LOAN CANCELLATIONS

Students who received National Defense or Perkins Loans may have a portion or all of their loan balance canceled if they meet certain military or teacher service requirements. Under the Federal Perkins Loan Cancellations Program (CFDA 84.037), the federal government restores the total amount of canceled principal and interest to the universities' loan funds. The amounts canceled under this program during the year ended June 30, 1997, are presented in the following schedule.

STATE OF LOUISIANA
Notes to the Schedule of Expenditures of Federal Awards
(Continued)

University	Principal and Interest Canceled
Grambling State University	$2,966
LSU and A&M College (Baton Rouge)	63,243
LSU at Eunice	3,041
Louisiana Tech University	78,962
McNeese State University	89,116
Nicholls State University	717
Northeast Louisiana University	140,607
Northwestern State University	82,931
Southeastern Louisiana University	28,741
Southern University and A&M College (Baton Rouge)	60
Southern University at Shreveport-Bossier City	863
University of New Orleans	23,714
University of Southwestern Louisiana	138,715
Total	$653,676

M. COLLEGE HOUSING AND ACADEMIC FACILITIES LOANS

Public institutions of higher education receive loans from the federal government under the College Housing and Academic Facilities Loans Program (CFDA 84.142). These funds may be used to finance the construction, acquisition, and rehabilitation of student and faculty housing and related dining facilities or to finance the renovation or reconstruction of older undergraduate academic facilities. The outstanding balances of loans made under this program as of June 30, 1997, are presented in the following schedule.

University	Outstanding Balance June 30, 1997
Delgado Community College	$419,000
Grambling State University	2,870,000
LSU and A&M College (Baton Rouge)	4,452,000
LSU Medical Center (New Orleans)	640,000
Louisiana Tech University	139,000
McNeese State University	313,000

STATE OF LOUISIANA
Notes to the Schedule of Expenditures of Federal Awards
(Continued)

University (Cont.)	Outstanding Balance June 30, 1997
Nicholls State University	$107,000
Northeast Louisiana University	529,000
Southeastern Louisiana University	342,000
Southern University and A&M College (Baton Rouge)	25,000
University of New Orleans	53,000
Total	$9,889,000

N. DEPARTMENT OF EDUCATION - HOUSING ACT OF 1950 "TITLE IV" LOAN

The University of Louisiana System Board of Trustees for State Colleges and Universities has signed a loan agreement, on behalf of Grambling State University, with the U.S. Secretary of Education for $3,500,000. These funds are to be used for financing the construction of four new dormitories pursuant to Title IV of the Housing Act of 1950. The loan shall bear interest at the rate of 3 percent per annum on the unpaid balance. The principal and interest shall be payable in semiannual installments of $88,877 over a term of 30 years. The payments are to commence at the point any of the new dormitories become revenue-producing. As of June 30, 1997, the outstanding loan balance is $3,233,611. Payments totaling $78,965 were made during the year.

O. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC PROGRAM)

During the fiscal year ended June 30, 1997, the Office of Public Health received cash rebates from infant formula manufacturers, for $28,474,221, on sales of formula to participants in the WIC Program (CFDA 10.557). Rebate contracts with infant formula manufacturers are authorized by 7 CFR 246.16(m) as a cost containment measure. Rebates represent a reduction of expenditures previously incurred for WIC food benefit costs. Applying the rebates received to such costs enabled the Office of Public Health to extend program benefits to 777,347 more persons than could have been served this fiscal year in the absence of the rebate contract.

STATE OF LOUISIANA
Notes to the Schedule of Expenditures of Federal Awards
(Continued)

P. MAJOR FEDERAL AWARD PROGRAMS

The State of Louisiana's major federal award programs for the year ended June 30, 1997, were determined using the criteria established by OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* The option to deviate from the prescribed risk-based approach for the first year of audit under A-133 was exercised. Under this option, major federal programs are defined as all Type A programs plus any Type B programs necessary to meet the required percentage of coverage rule. The total federal awards expended was based on actual program activity as described in note C (page A-161) and the outstanding loan balances as of and for the year ended June 30, 1996. The state's major federal award programs for the year ended June 30, 1997, were all federally assisted programs for which program activity was equal to or greater than $16,206,363 during the year ended June 30, 1997, and all federally assisted loan programs for which the federal government's risk in the outstanding loan balances as of June 30, 1996, was equal to or greater than $16,206,363. This is also the threshold to distinguish between Type A and Type B programs. The Food Distribution Program (CFDA 10.550) was tested as a major program even though the actual expenditures (activity) of the program were below the calculated threshold because prior year amounts were used to make a preliminary estimate of federal programs expected to be major programs in the current year.

The major programs cumulatively account for approximately 94 percent of the state's expenditures/issues/loans of federal award programs for the year ended June 30, 1997. The major programs and total federal awards expended per program as presented in the accompanying Schedule of Expenditures of Federal Awards are as follows:

STATE OF LOUISIANA
Notes to the Schedule of Expenditures of Federal Awards
(Continued)

CFDA Number	Program Name	Clusters of Programs	Total Activity
10.550	Food Distribution		$15,675,271
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children		75,787,090
10.565	Commodity Supplemental Food Program		19,801,027
14.228	Community Development Block Grants/ State's Program		38,135,678
17.225	Unemployment Insurance		172,810,457
17.246	Employment and Training Assistance - Dislocated Workers		19,801,163
17.250	Job Training Partnership Act		43,225,775
20.205	Highway Planning and Construction		238,828,985
66.458	Capitalization Grants for State Revolving Funds		23,552,411
84.010	Title I Grants to Local Educational Agencies		190,356,646
84.027	Special Education - Grants to States		38,354,557
84.048	Vocational Education - Basic Grants to States		19,110,982
84.126	Rehabilitation Services - Vocational Rehabilitation Grants to States		44,739,518
93.558	Temporary Assistance for Needy Families		51,276,253
93.560	Family Support Payments to States - Assistance Payments		49,211,350
93.575	Child Care and Development Block Grant		25,466,843
93.658	Foster Care - Title IV-E		47,327,642
93.667	Social Services Block Grant		32,635,532
93.959	Block Grants for Prevention and Treatment of Substance Abuse		18,943,879
96.001	Social Security - Disability Insurance		30,431,610
Food Stamp Cluster:			
10.551	Food Stamps	$536,724,462	
10.561	State Administrative Matching Grants for Food Stamp Program	40,294,468	577,018,930
Nutrition Cluster:			
10.553	School Breakfast Program	39,150,867	
10.555	National School Lunch Program	130,680,568	
10.556	Special Milk Program for Children	59,193	
10.558	Child and Adult Care Food Program	44,427,305	
10.559	Summer Food Service Program for Children	5,937,267	220,255,200

STATE OF LOUISIANA
Notes to the Schedule of Expenditures of Federal Awards
(Continued)

CFDA Number	Program Name	Clusters of Programs	Total Activity
Student Financial Assistance Cluster:			
84.007	Federal Supplemental Educational Opportunity Grants	$4,596,213	
84.032	Federal Family Education Loans:		
	Administrative Expenditures	20,793,170	
	Loan Expenditures	1,000,676,084	
84.033	Federal Work-Study Program	7,393,087	
84.038	Federal Perkins Loan Program - Federal Capital Contributions:		
	Administrative Expenditures	366,552	
	Loan Expenditures	41,622,288	
84.063	Federal Pell Grant Program	106,475,522	
84.268	Federal Direct Student Loan:		
	Loan Expenditures	2,375,205	
93.108	Health Education Assistance Loans:		
	Loan Expenditures	1,519	
93.342	Health Professions Student Loans, Including Primary Care Loans/Loans for Disadvantaged Students:		
	Loan Expenditures	8,185,294	
93.364	Nursing Student Loans:		
	Administrative Expenditures	27,287	
	Loan Expenditures	1,592,946	$1,194,105,167
Medicaid Cluster:			
93.775	State Medicaid Fraud Control Units	541,409	
93.777	State Survey and Certification of Health Care Providers and Suppliers	4,929,391	
93.778	Medical Assistance Program	2,704,069,338	2,709,540,138
Research and Development Cluster:			
	U.S. Department of Agriculture	9,164,449	
	U.S. Department of Commerce	4,297,350	
	U.S. Department of Defense	24,703,864	
	U.S. Department of Education	2,938,429	
	U.S. Department of Energy	4,638,036	
	Environmental Protection Agency	4,028,243	
	U.S. Department of Health and Human Services	33,445,394	
	U.S. Department of Housing and Urban Development	751	
	U.S. Department of Interior	8,836,346	
	U.S. Department of Justice	281,409	

STATE OF LOUISIANA
Notes to the Schedule of Expenditures of Federal Awards
(Continued)

Program Name	Clusters of Programs	Total Activity
Research and Development Cluster (Cont.):		
National Aeronautics and Space Administration	$4,441,968	
National Foundation on the Arts and the Humanities	16,410	
National Science Foundation	10,830,915	
Nuclear Regulatory Commission	955	
Small Business Administration	1,266,385	
U.S. Department of State	(11,956)	
Tennessee Valley Authority	297	
U.S. Department of Transportation	272,601	
U.S. Department of Veterans Affairs	126,676	
United States Information Agency	1,085	
Other Federal Grants and Contracts	379,793	$109,659,400
Total Expenditures (Activity) of Major Programs		$6,006,051,504

STATE OF LOUISIANA
Notes to the Schedule of Expenditures of Federal Awards
(Continued)

Q. COMPONENT UNITS AUDITED BY EXTERNAL AUDITORS

Other external auditors audited certain entities included in the State of Louisiana's Comprehensive Annual Financial Report for the year ended June 30, 1997. To obtain the latest audit report of a particular entity, contact the agency using the following list of addresses:

Ascension-St. James Bridge and Ferry Authority
Post Office Box 1566
Donaldsonville, Louisiana 70346

Bayou D'Arbonne Lake Watershed District
Post Office Box 1613
Ruston, Louisiana 71273-1613

Board of Professional Engineers and Land Surveyors
10500 Coursey Boulevard, Suite 107
Baton Rouge, Louisiana 70816-4045

The Custodian of Notorial Records of Orleans Parish
421 Loyola Avenue, Room B-4
New Orleans, Louisiana 70112

East Jefferson Levee District
203 Plauche Court
Harahan, Louisiana 70123

Fifth Louisiana Levee District
222 North Cedar Street
Tallulah, Louisiana 71282

Greater Krotz Springs Port Commission
Post Office Box 155
Krotz Springs, Louisiana 70750

Greater New Orleans Expressway Commission
Post Office Box 7656
Metairie, Louisiana 70010

Joint Legislative Committee on the Budget
Post Office Box 44294
Baton Rouge, Louisiana 70804

Lafourche Basin Levee District
Post Office Box 670
Vacherie, Louisiana 70090

Lake Charles Harbor and Terminal District
Post Office Box 3753
Lake Charles, Louisiana 70602

Legislative Budgetary Control Council
Post Office Box 44305
Baton Rouge, Louisiana 70804

STATE OF LOUISIANA
Notes to the Schedule of Expenditures of Federal Awards
(Continued)

Legislative Fiscal Office
Post Office Box 44097
Baton Rouge, Louisiana 70804

Louisiana Auctioneers Licensing Board
8017 Jefferson Highway, Suite B-3
Baton Rouge, Louisiana 70809

Louisiana Beef Industry Council
4921 I-10 Frontage Road
Port Allen, Louisiana 70767

Louisiana Board of Chiropractic Examiners
8621 Summa Avenue
Baton Rouge, Louisiana 70809

Louisiana Board of Examiners for Speech-Language Pathology and Audiology
11930 Perkins Road, Suite B
Baton Rouge, Louisiana 70810

Louisiana Board of Examiners of Certified Shorthand Reporters
325 Loyola Avenue, Room 306
New Orleans, Louisiana 70112

Louisiana Board of Hearing Aid Dealers
Post Office Box 6016
Monroe, Louisiana 71211-6016

Louisiana Board of Massage Therapy
Post Office Box 1279
Zachary, Louisiana 70791

Louisiana Board of Pharmacy
5615 Corporate Boulevard, Suite 8-E
Baton Rouge, Louisiana 70808

Louisiana Board of Veterinary Medical Examiners
263 Third Street, Suite 104
Baton Rouge, Louisiana 70801

Louisiana Catfish Promotion and Research Board
Post Office Box 95004
Baton Rouge, Louisiana 70895

Louisiana Cemetery Board
2901 Ridgelake, Suite 212
Metairie, Louisiana 70002

Louisiana Crawfish Promotion and Research Board
Post Office Box 3334
Baton Rouge, Louisiana 70821-3334

Louisiana Economic Development Corporation
Post Office Box 94185
Baton Rouge, Louisiana 70804-9185

STATE OF LOUISIANA
Notes to the Schedule of Expenditures of Federal Awards
(Continued)

* Louisiana Educational Television Authority
7860 Anselmo Lane
Baton Rouge, Louisiana 70810

Louisiana House of Representatives
Post Office Box 44281
Baton Rouge, Louisiana 70804-4281

* Louisiana Housing Finance Agency
200 Lafayette Street, Suite 300
Baton Rouge, Louisiana 70801

Louisiana Licensed Professional
Counselors Board of Examiners
8631 Summa Avenue, Suite A
Baton Rouge, Louisiana 70809

Louisiana Licensed Professional
Vocational Rehabilitation Counselors
Board of Examiners
Post Office Box 41594
Baton Rouge, Louisiana 70835

Louisiana Motor Vehicle Commission
3519 Twelfth Street
Metairie, Louisiana 70002

Louisiana Real Estate Appraisers
State Board of Certification
Post Office Box 14785
Baton Rouge, Louisiana 70898

Louisiana Real Estate Commission
Post Office Box 14785
Baton Rouge, Louisiana 70898

Louisiana Rice Promotion Board
517 East Third Street
Crowley, Louisiana 70526

Louisiana School Employees
Retirement System
Post Office Box 44516
Baton Rouge, Louisiana 70804-4516

Louisiana Senate
Post Office Box 94183
Baton Rouge, Louisiana 70804

Louisiana Soybean and Grain Research
and Promotion Board
Post Office Box 95004
Baton Rouge, Louisiana 70890

* Single Audit Report

STATE OF LOUISIANA
Notes to the Schedule of Expenditures of Federal Awards
(Continued)

Louisiana Stadium and Exposition District
3850 North Causeway Boulevard
Suite 440
Metairie, Louisiana 70002

Louisiana State Board of Architectural Examiners
8017 Jefferson Highway, Suite B2
Baton Rouge, Louisiana 70809

Louisiana State Board of Certified Social Work Examiners
11930 Perkins Road, Suite B
Baton Rouge, Louisiana 70810

Louisiana State Board of Embalmers and Funeral Directors
Post Office Box 8757
Metairie, Louisiana 70011

Louisiana State Board of Examiners in Dietetics and Nutrition
11930 Perkins Road, Suite B
Baton Rouge, Louisiana 70810

Louisiana State Board of Examiners of Interior Designers
8017 Jefferson Highway, Suite B3
Baton Rouge, Louisiana 70809

Louisiana State Board of Optometry Examiners
Post Office Box 555
Oakdale, Louisiana 71463

Louisiana State Board of Medical Examiners
Post Office Box 30250
New Orleans, Louisiana 70190-0250

Louisiana State Board of Physical Therapy Examiners
2014 West Pinhook, Suite 701
Lafayette, Louisiana 70508

Louisiana State Board of Wholesale Drug Distributors
12046 Justice Avenue, Suite C
Baton Rouge, Louisiana 70816

Louisiana State Employees Retirement System
Post Office Box 44213
Baton Rouge, Louisiana 70804-4213

Louisiana State Law Institute
LSU Law Center, Room 382
Baton Rouge, Louisiana 70803

Louisiana State Police Retirement System
Post Office Box 66614
Baton Rouge, Louisiana 70896-6614

Louisiana State Radio and Television Technicians Board
555 Julia Street, Room 112
Baton Rouge, Louisiana 70802

STATE OF LOUISIANA
Notes to the Schedule of Expenditures of Federal Awards
(Continued)

Louisiana Used Vehicle and Parts Commission
3132 Valley Creek Drive
Baton Rouge, Louisiana 70808

Louisiana Workers Compensation Corporation
2237 South Acadian Thruway
Suite102
Baton Rouge, Louisiana 70808

Morgan City Harbor and Terminal District
Post Office Box 1460
Morgan City, Louisiana 70381

Natchitoches Levee and Drainage District
Post Office Box 1209
Natchitoches, Louisiana 71458

New Orleans Port Commission
Post Office Box 60046
New Orleans, Louisiana 70160

Nineteenth Louisiana Levee District
Post Office Box 267
Colfax, Louisiana 71417

North Bossier Levee District
Post Office Box 342
Plain Dealing, Louisiana 71064

North Lafourche Conservation, Levee, and Drainage District
Post Office 230
Raceland, Louisiana 70394

Office of the Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Pontchartrain Levee District
Post Office Box 426
Lutcher, Louisiana 70071

Radiologic Technology Board of Examiners
3108 Cleary Avenue, Suite 207
Metairie, Louisiana 70002

Red River Levee and Drainage District
Post Office Box 433
Coushatta, Louisiana 71019

Rice Research Board
Post Office Box 1584
Crowley, Louisiana 70527-1584

Sabine River Authority
15091 Texas Highway
Many, Louisiana 71449

STATE OF LOUISIANA
Notes to the Schedule of Expenditures of Federal Awards
(Concluded)

South Lafourche Levee District
Post Office Box 426
Galliano, Louisiana 70354

South Tangipahoa Parish
Port Commission
163 West Hickory Street
Ponchatoula, Louisiana 70454

* St. Bernard, Harbor and Terminal
District
Post Office Box 1331
Chalmette, Louisiana 70044-1331

St. Tammany Levee District
Post Office Box 1807
Slidell, Louisiana 70459

State Licensing Board for
Contractors
Post Office 14419
Baton Rouge, Louisiana 70898-4419

State Plumbing Board of Louisiana
2714 Canal Street, Suite 512
New Orleans, Louisiana 70119

Teachers Retirement System
of Louisiana
Post Office 94123
Baton Rouge, Louisiana 70804-9123

Tensas Basin Levee District
Post Office Box 68
Rayville, Louisiana 71269

* West Jefferson Levee District
Post Office Box 608
Marrero, Louisiana 70072

* Single Audit Report

Appendix B

Management's Corrective Action Plans and Responses to the Findings and Recommendations

Appendix B

STATE OF LOUISIANA

Management's Corrective Action Plans and
Responses to the Findings and Recommendations

Page No.

Agriculture and Forestry, Department of B-3

Board of Elementary and Secondary Education B-5

Delgado Community College B-6

Education, Department of B-8

Executive Department B-15

Executive Department - Statewide Findings B-191

Grambling State University B-19

Health and Hospitals, Department of B-25

Insurance, Department of B-76

Louisiana School for the Deaf B-78

Louisiana State University Medical Center (New Orleans) B-80

McNeese State University B-87

Medical Center of Louisiana at New Orleans B-88

Natural Resources, Department of B-104

Northeast Louisiana University B-107

Northwestern State University B-116

Orleans Levee District B-126

Public Health, Office of B-135

Public Safety and Corrections - Corrections Services, Department of B-137

Public Safety and Corrections - Public Safety Services, Department of B-141

Revenue, Department of B-142

Risk Management, Office of B-143

Social Services, Department of B-147

Southern University and A&M College (Baton Rouge) B-161

Appendix B

STATE OF LOUISIANA
Management's Corrective Action Plans and
Responses to the Findings and Recommendations
(Concluded)

Page No.

Southern University at New Orleans B-172

Southern University at Shreveport-Bossier City B-182

State Employees Group Benefits Program B-187

University of New Orleans B-188

W.O. Moss Regional Medical Center B-190

Louisiana Department of Agriculture & Forestry
Office of Management and Finance
Post Office Box 3481
Baton Rouge, Louisiana
70821-3481
(504) 922-1255

BOB ODOM
COMMISSIONER

RICHARD ALLEN
ASSISTANT COMMISSIONER

November 14, 1997

Dr. Daniel G. Kyle
Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

re: Non-Compliance with Louisiana Procurement Code

The Department of Agriculture and Forestry does not concur with this audit finding for the following reasons.

For the third consecutive year, the auditor fails to recognize or acknowledge the statutory authority of the Louisiana Agricultural Finance Authority (LAFA), an authority within the Department of Agriculture and Forestry, expressly authorized to acquire, construct, renovate, equip and maintain the offices and related facilities of the Department of Agriculture and Forestry (R.S. 3:266 (14) (20); 3:1907.B (2) (3); 3:1317 (2) (b) (c); 3:3210 (C) (2) (3) (4). The Department notes that this audit finding is essentially a restatement of the audit finding of the FY-95 and FY-96 audit report and, accordingly, the Department adopts by reference its prior response.

Further responding, the Department wishes to note that the audit finding is correct in advising that LAFA is exempt from the requirements of the Procurement Code, R.S. 3:266(14), R.S. 3:274.

Second, the auditor seems to be saying that while LAFA is in compliance in making the acquisition of the described items, the Department is not, as the Department ends up with title to the items. In short, the auditor seems to complain that LAFA, a State agency, is making acquisitions on behalf of the Department, another State agency. If that is the nature of the auditor's concern, it should be noted that R.S. 39:1701 *et seq.* and more particularly, R.S. 39:1703 and 1704 also seem to expressly authorize the described activity, if such activity needs further authorization.

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The Department has concluded that the procurement procedures are in compliance with the law and that no modification of procedure is required. However, after reviewing procedures and conferring with the auditor, the Department has determined an available method that will permit LAFA to function as intended and authorized by law, that will also satisfy the auditor. Rental agreements have been amended and rental revenue is being generated by LAFA, and this money is being used to pay maintenance and equipment costs for the Department of Agriculture and Forestry.

If further information is required, please do not hesitate to contact me.

Very truly yours,

Skip Rhorer
Acting Assistant Commissioner

SR:sw

STATE OF LOUISIANA
BOARD OF ELEMENTARY AND SECONDARY EDUCATION
P. O. BOX 94064, CAPITOL STATION
BATON ROUGE 70804-9064
TELEPHONE: (504) 342-5840

March 21, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P.O. Box 943970
Baton Rouge, LA 70804-9397

RE: Audit Findings

Dear Dr. Kyle:

This memo is in response to reportable audit findings by your staff as per your memo of March 12, 1997. This office concurs with the findings and proposes corrective action as delineated below.

Improper Payroll Records and Expenditures for Federal Grant Program

This agency concurs with the finding concerning the lack of time distribution records that would accurately allocate payroll expenses to the Vocational Education-Basic Grants to States. This agency stated in their last audit that it would be virtually impossible to keep track of administrative time on a program basis since numerous phone calls, etc., during a given day would affect different programs.

As corrective action, this agency plans to have all personnel who have part of their compensation paid by Carl Perkins funds keep time sheets reflecting actual time spent on vocational-technical activities. These employees are: Weegie Peabody, Evan Brasseaux, Abbie Petit, and Jeannie Stokes effective with the next payroll cycle.

Money expended for a search for a new superintendent was not an appropriate charge against the Carl Perkins program. Future activities of this nature may be funded by a supplemental State General Fund appropriation or a request for private donations. Copies of OMB A-87 have been distributed to the financial staff who will review expenses and verify compliance with grant regulations on an on-going basis.

In conclusion, I would like to thank you for the professional courtesies extended by your staff, Bill Burch, Derry Lynn Bearden, and Danielle Stafford, during the course of this audit. Two-thirds of my office, including myself, have been in our current positions only since July, and your staff was sensitive to this transition.

Sincerely,

Weegie Peabody

Weegie Peabody
Executive Director

WP:cm

Delgado COMMUNITY COLLEGE

Celebrating 75 Years of Education that Works

Raymond J. Garrity, *Interim President*

OFFICE OF THE PRESIDENT
501 City Park Avenue
New Orleans, Louisiana 70119-4399
(504) 483-4085
FAX (504) 483-4088

December 10, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P.O. Box 94397
Baton Rouge, La. 70804-9397

Dear Dr. Kyle:

The following is submitted in response to the finding and recommendation of your office for the audit of Delgado Community College for the 1995-96 and 1996-97 fiscal years.

Finding:
Excess reimbursement of expenditures in the Minority Worker Training Program.

Response:
The College concurs with the finding of the Legislative Auditor. A reimbursement of $24,000 in training costs was requested without proper documentation. This occurred because a non-credit course was not properly opened in the system resulting in the twenty-five students not being registered and the training costs not being recorded in the College's books. In addition, the College requested and received $2,776 in administrative costs without a corresponding expenditure recorded in the accounting records. This was an oversight in recording the necessary journal entries to enable the expenditure to be shown in the accounting records.

Finally, the College based its request for the administrative costs on the budgeted overhead rate of 7.79 percent but could not provide support for the calculation of the rate used for overhead. The College has traditionally used an 8 percent overhead rate based on a policy statement from the Department of Health and Human Services that recommended a maximum allowable rate of 8 percent for training grants. Because the budget for this specific grant was not sufficient to support the full 8 percent amount, the College lowered its overhead charge to 7.79 percent.

As a corrective course of action, the College will ensure that all billings or requests for reimbursement be supported by and be equal to the reported expenditures in the accounting records. The records for the years in question will be updated to reflect these changes.

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The Grants Accountant, Kirk Simoneaux, and the Associate Controller, Steve Cazaubon, will ensure that this procedure is followed immediately. Finally, the College is seeking to establish an overhead rate with the Federal Government, and it is anticipated that this will be completed no later than June 30, 1998.

Sincerely,

Raymond J. Garrity, Ed.D.
Interim President

RJG/ACE/nf

STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
P. O. BOX 94064
BATON ROUGE, LOUISIANA 70804-9064

December 1, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education concurs with the finding related to Inadequate Administration of Program Income. It is the intent of the SDE to adhere strictly to state and federal guidelines in the future to ensure prudent and efficient use of federal funds.

The Division of Special Populations (formerly Office of Special Education Services) will no longer enter into agreements with nonprofit organizations to cosponsor conferences and split program income. The Division will void the agreement with the Council of Exceptional Children for the 18th Annual Super Conference on Special Education. The Division will so notify the Council by letter signed by the Superintendent of Education. Further, the Division will seek to clarify with the United States Department of Education 34 CFR §80.25 regarding program income and allowable costs. By doing so, the Division seeks to prevent future occurrences of a similar nature.

The person responsible for corrective action is Virginia Beridon, Director, Division of Special Populations. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marlyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr:djgjr

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STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
P. O. BOX 94064
BATON ROUGE, LOUISIANA 70804-9064

January 12, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) does not concur with the finding entitled Inadequate Administration of the Minimum Foundation Program (MFP) for the following reasons:

- Audits of 1995-96 data, other than those of student count, by the Educational Finance Services (EFS) section during fiscal year 1996-97 were unnecessary because this data has no direct bearing whatsoever on the current MFP formula.
- The SDE made a management decision to not issue in a timely manner two audit reports of special education and transportation expenditures from fiscal year 1994-95. This was a result of other higher priorities which directly impacted funding issues regarding the MFP. The EFS section concentrated limited resources on audits of student membership count (SMC) which is the single most important data element in the MFP. The two reports mentioned in your finding were "technical assistance" audits, and, as such, did not directly impact funding.
- SDE management recognized greater taxpayer savings would be realized by concentrating limited EFS section resources on SMC audits of ALL school districts (LEA) as opposed to "technical assistance" audits of a limited sample of LEA. By conducting SMC audits of all LEA during 1996-97 for 1995-96 student counts, the EFS generated a savings of $2.9 million in MFP formula funding. This savings was seventeen times greater than that cited in your finding for the technical assistance audits.
- The transfer of MFP funds to the Louisiana Attorney General was based on an Interagency Agreement which was approved by the Superintendent of Education, the Attorney General, the Office of the Governor, and the Commissioner of Administration. On that basis, the SDE believes the transfer of funds was appropriate.

Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marlyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr:djgjr

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STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
P. O. BOX 94064
BATON ROUGE, LOUISIANA 70804-9064

October 9, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) partially concurs with the finding related to the Church-Based Tutorial Program (CBTP). The SDE offers the following specific comments related to the finding:

- As of the current fiscal year, the CBTP will not be funded with federal funds. In order to prevent future problems related to program eligibility, site coordinators will receive additional training to ensure only eligible students are accepted.
- The SDE does not concur with that part of your finding related to State eligibility criteria. The CBTP tries to ensure all students served at state-funded tutoring sites have the desirable characteristics listed in the administrative manual. The only eligibility requirements, however, for state-funded sites are the child must be between five and eighteen years of age and enrolled in a public or nonpublic school. State funding, by its nature, does not carry the same restrictions as federal funds and the eligibility requirements for state-funded sites were purposely set to allow more leeway for eligibility.
- The CBTP will attempt to conduct a complete audit of all sites in order to reconcile inventories listed by the sites with SDE records.
- Licensing and registration of referral centers will not be completed. The centers were informed in March funding would not be provided in the 1997-98 fiscal year. Due to the cost of meeting licensing requirements, the sites opted to discontinue the licensing process. All referral centers have closed as of June 30, 1997. In addition, information received from the Department of Social Services indicates Five-day programs and Summer Enrichment camps do not require licensing.
- The SDE will no longer fund nonpublic alternative schools using CBTP funds.

Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marlyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr:djgjr

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STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
P. O. BOX 94064
BATON ROUGE, LOUISIANA 70804-9064

December 1, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) concurs with the finding related to Inadequate Controls for Federal Cash Management. Due to the number of refunds and federal awards involved, it will be necessary to have our Bureau of Internal Audit investigate this matter. When the investigation is complete, the SDE will implement any procedures necessary to prevent future recurrence of this nature.

The person responsible for corrective action is Dudley J. Garidel, Jr, Director of Internal Audit. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marlyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr:djgjr

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STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
P. O. BOX 94064
BATON ROUGE, LOUISIANA 70804-9064

August 25, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) concurs with the finding related to inadequate uniform payroll system controls. For your information, the SDE does have an ongoing program for auditing time and attendance records, which has previously been performed by the Bureau of Personnel in cooperation with the Bureau of Internal Audit (BIA). Problems similar to those noted in your finding have also been identified in the same bureaus by the Bureau of Personnel audits. In all instances, the Bureau of Personnel audit results were reported to the appropriate Assistant Superintendent and Bureau Directors.

In order to more effectively address this issue, the following steps have been taken:

1. The responsibility for time and attendance audits has been assumed by the BIA from the Bureau of Personnel.
2. The BIA will perform time and attendance audits on a quarterly basis beginning with the quarter ended March 31, 1997.
3. Audit coverage is planned in such a manner as to cause all payroll units within the SDE to be subject to audit on an annual basis.
4. In the future, the results of all time and attendance audits by the BIA will be publicly reported to the Board of Elementary and Secondary Education and the Superintendent of Education as outlined in the BIA Statement of Responsibility.

The party responsible for this corrective action is Dudley J. Garidel, Jr., Director of Internal Audit.

Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marlyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr:djgjr

c: file
Steve Parker
Dudley Garidel
Rick Estevens

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STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
P. O. BOX 94064
BATON ROUGE, LOUISIANA 70804-9064

August 25, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education (SDE) concurs with the finding related to the improper advance payment of a lease between the SDE and the Louisiana School for the Deaf (LSD).

Corrective action will be as follows:

> A new lease agreement will be presented to the State Board of Elementary and Secondary Education on August 28, 1997, for the period October 1, 1997, through June 30, 1998. The lease agreement specifies under Method of Payment, "Payments will be made by SDE to LSD upon the receipt of a monthly invoice from the LSD School Business Manager".
>
> Following approval of the new lease agreement by the BESE, the agreement will be forwarded to the Commissioner of Administration for approval.

The person responsible to ensure corrective action is Virginia Beridon, Assistant Superintendent, Office of Special Education Services. We believe these new procedures will reduce the risk of future occurrences such as those in your finding.

Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marlyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr:djgjr

c: file
Virginia Beridon
Steve Parker
Dudley Garidel

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STATE OF LOUISIANA
DEPARTMENT OF EDUCATION
P. O. BOX 94064
BATON ROUGE, LOUISIANA 70804-9064

December 1, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Education concurs with the finding related to Unallowable Costs in Federal Program. It is the intent of the SDE to adhere strictly to state and federal guidelines in the future to ensure prudent and efficient use of federal funds.

The Division of Special Populations (formerly Office of Special Education Services) will seek to clarify with the United States Department of Education (USDOE) criteria under which amendments to the Louisiana Special Education State Plan must be requested. The Division will inform, and seek guidance from, the USDOE regarding the fourteen positions and questioned costs reported in the finding.

The person responsible for corrective action is Virginia Beridon, Director, Division of Special Populations. Should you have any questions concerning this response, please contact me at your earliest convenience.

Sincerely,

Marlyn J. Langley
Deputy Superintendent
Office of Management and Finance

Approved:

Cecil J. Picard
State Superintendent of Education

MJL:DJGJr:djgjr

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State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF INFORMATION SERVICES

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

December 5, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

We concur with the finding titled "Improper Access to GFS Production Data and Program Libraries." These statements were true when the audit was initially conducted.

Since that time, we have taken steps to eliminate the problem. In September of this year, access to GFS Production datasets was limited to READ ONLY for contract personnel. In addition, access for State personnel not required to perform on-call duties was also limited to READ ONLY.

As of this date, no member of the State programming staff has ALL access to Production data. All access to Production data has been granted as READ ONLY. It should be noted that a special ID has been established, in keeping with recommendations from your office, for the use of the programming staff in the ongoing maintenance of this project. This ID is under tight controls and reviews to ensure that it is used for authorized business access only.

As of this date, program changes required in Production can only be migrated using this special ID. Every use of this ID creates a log entry that is reported to the Top Secret Administrator and the Applications Support Manager. In addition, the state will be implementing the Endevor change control system for this project to further reduce any direct access of Production programs by state or vendor personnel. This is expected to be in place by the end of the fiscal year.

Sincerely,

Randall Walker
Acting Information Services Director

POST OFFICE BOX 44335 • BATON ROUGE, LA 70804-4335
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AN EQUAL OPPORTUNITY EMPLOYER

State of Louisiana

PATIENTS' COMPENSATION FUND
OVERSIGHT BOARD
OFFICE OF THE EXECUTIVE DIRECTOR
650 NORTH SIXTH STREET
BATON ROUGE, LA 70802
(504) 342-6052
FAX (504) 342-6053

September 22, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: Legislative Audit Finding: Inadequate Fund Balance-Patients' Compensation Fund

Dear Dr. Kyle:

The Patients' Compensation Fund Oversight Board, as administrator of the Patients' Compensation Fund, concurs with the above captioned finding. Please find attached our official response.

We would respectfully request a response to the following query:

Why are "undiscounted" reserves used in the calculation of the accumulated balance of surcharges, reserves, and expenses instead of "discounted" reserves? The latter takes into consideration investment income.

Please notify the undersigned if you feel our official response needs to be supplemented or is deficient in any way. Thank you.

Sincerely,

Mike Walsh

Mike Walsh, Executive Director

RESPONSE BY THE LOUISIANA PATIENTS' COMPENSATION FUND TO THE CONCERN OVER RESERVE LEVELS

In the early 1970's, a crisis arose in medical malpractice liability and coverage in the United States. Louisiana was one of the states facing this problem. In this climate the Louisiana Legislature enacted Act 817 of 1975 which regulated malpractice litigation, including limiting the liability of qualified health care providers, and created the Louisiana Patients' Compensation Fund ("PCF"). The purpose of this legislation was to assure both coverage for health care providers and compensation for claimants.

Under the original legislation, the PCF was jointly administered by the Attorney General and the Commissioner of Insurance. They were responsible for defending claims against the Fund, (including appointing attorneys, setting reserves, and paying settlements and judgments), collecting surcharges, keeping records on the qualified status of providers, and much more. Of particular importance, they were charged with setting surcharge rates, subject to the approval of the Louisiana Insurance Rating Commission.

Over the years various modifications were made to the original legislation. In 1990, the Legislature removed the PCF from the control of the Department of Insurance and the Attorney General and created the Patient's Compensation Fund Oversight Board ("Board") to manage the Fund's operations. Act 454 became effective on October 1, 1990. Thus, in late 1990, the current Board inherited a 15-year old Fund with certain deficiencies including no reserves for outstanding claims.

At that time, the Fund's claims and reserve records and its management information systems were significantly inadequate. One of the first tasks which the Board identified was the immediate modernization of these systems in order, among other reasons, to improve the data base for rate development purposes.

Over the next several years, the Board made great strides toward developing reserves for all of its outstanding claims. Also during that time, the Board asked for dramatic rate increases in order to address the shortfall in reserves. Between 1991 and 1997, the Fund had surcharge increases on five separate occasions, totaling 177% for hospitals and 95% for physicians, as follows:

Effective	Hospitals	Physicians
7/1/1991	22.5%	17.5%
7/1/1992	56.3%	21.8%
7/1/1993	23.0%	7.8%
7/1/1994	8.1%	8.1%
1/1/1997	9.0%	17.0%

These amounts, according to the Fund's actuaries, "are substantially more than those adopted by the medical malpractice industry over the same period."

Of course, the total requested increases were actually greater. In 1995 the Fund asked for increases of 12% for hospitals and 15% for physicians which were rejected by the Louisiana Insurance Rating Commission ("LIRC"). As a result of that disapproval, no rate filing was attempted until the composition of the LIRC was changed. The Fund's 1995 experience illustrates perhaps the biggest single limitation to its ability to meet its statutory reserve responsibility. The Board is not in ultimate control of its own rates and the reality of LIRC review has a limiting effect on potential increases.

In summary, over the last seven years the Patient's Compensation Fund Oversight Board has had a great deal of "catching up" to do. It had, first, to develop the systems to accurately track the appropriate reserve amounts. At the same time, it had to address the large deficit which it inherited. It has made significant progress in both of those endeavors, despite resistance from the LIRC, some health care providers, and others. It has increased cash reserves from zero to more than sixty-nine million dollars and is on pace to add another five to ten million dollars to that number this year. While it still has much to do, the Board firmly believes that its pace has been as rapid as it could have been.

Despite the problems inherited by the Board, it has always paid each claim, settlement and judgment as required by law, and there has never been a default by the Board nor has there been an unfunded liability as ordered by any court. It has met and will continue to meet its obligations in the future.

g:/pcf/general/history.gdf

Grambling State University
OFFICE OF THE PRESIDENT
Grambling, Louisiana 71245

P.O. DRAWER 607

(318) 274-6117
FAX: (318) 274-6172

October 3, 1997

Dr. Daniel G. Kyle, CPA, CFE
Office of the Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

As a follow up to our conversation, I received the letter dated September 3, 1997 today from Mr. Melvin Davis, Vice President for Finance, regarding Grambling State University's response to the audit finding on **Grambling State University Foundation, Inc., Delinquent Accounts Receivable**. The University submits the following:

> The University does not concur with the finding and recommendation. The University has actively pursued collection of the outstanding receivable from the Grambling State University Foundation, Inc. and has considered legal remedies to enforce the agreement dated April 28, 1989.
>
> Possible solutions to settle this indebtedness and consideration to write-off the debt has been discussed at length before the University of Louisiana Board of Trustees and in numerous other meetings. In a meeting on May 2, 1997, attended by representatives of the Board of Trustees and its attorneys, Office of the Legislative Auditor, Attorney General's Office and Grambling State University, it was finally determined that the original agreement may not have been a binding agreement if challenged in a court of law. A recommendation was made that the University and the Foundation enter into a new binding agreement to liquidate the indebtedness and the agreement was subsequently approved by the Board on June 27, 1997.
>
> The University feels that this new agreement enhances its ability to receive payments from the Foundation and is in the best interest of the University and the Foundation.

Thank you for your consideration of this response. Please advise me if you need further information.

Sincerely,

Raymond A. Hicks
President

RAH:jj

A Member of the University of Louisiana System
An Equal Opportunity Employer and Educator/Facilities Accessible To The Disabled

Grambling State University

OFFICE OF THE VICE PRESIDENT FOR FINANCE

Grambling, Louisiana 71245

Long-Jones Hall, Room 219
P. O. Drawer 605
100 Founder Street

(318) 274-3100
FAX: (318) 274-3299

August 19, 1997

Dr. Daniel G. Kyle, CPA
Office of the Legislative Auditor
State of Louisiana
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

In response to the audit finding on **Timekeeping Records Not Certified**, the University submits the following:

> The University concurs with the finding and recommendation. Effective immediately, the University has implemented procedures to ensure that all employees timekeeping records are properly certified. These procedures will require that all employees sign the appropriate timekeeping record prior to submission to the payroll department.
>
> In instances, where the employee is unable to sign the timekeeping record prior to submission, the immediate supervisor will be required to provide the appropriate explanation and the employee must sign the current timekeeping record before being issued a paycheck for the next pay period. In instances of extended leave or other unusual circumstances, the employee must sign the timekeeping record immediately upon return to work.
>
> The Payroll Manager will have the responsibility of monitoring these procedures.

Thank you for your consideration of this response. Please advise if you need further information.

Sincerely,

Melvin L. Davis
Vice President for Finance

MLD/mll

A Member of the University of Louisiana System
An Equal Opportunity Employer and Educator/Facilities Accessible to the Disabled

Grambling State University
OFFICE OF THE PRESIDENT
Grambling, Louisiana 71245
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(318) 274-6117
FAX: (318) 274-6172

January 29, 1998

Dr. Daniel G. Kyle, CPA, CFE
Office of the Legislative Auditor
State of Louisiana
Post Office 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

In response to the audit findings reported in the June 30, 1997, audit of Grambling State University's Schedule of Expenditures of Federal Awards, the University submits the following:

97-01 Federal Financial Reports

Response: We concur with the findings and recommendation. The 1996-97 FISAP has been corrected and resubmitted on December 4, 1997.

Corrective Plan of Action: The university has purchased new software that includes Finance and Financial Aid modules. The software has the capability of tracking data needed to complete the FISAP. Therefore, the office will have access to accurate, updated information for completing financial reports. The Assistant Director of Financial Aid will be responsible for this plan of action.

The Default Prevention Staff will coordinate with an outside billing agency in order to maintain more accurate data for reporting purposes. The corrected Annual Operating Nursing Report was submitted on December 4, 1997. The Coordinator of the Default Prevention Unit of the Financial Aid Office is responsible for this plan of action.

A Member of the University of Louisiana System
An Equal Opportunity Employer and Educator/Facilities Accessible To The Disabled

97-02 Satisfactory Academic Progress

Response: We concur with the findings and recommendation. The system in place was the primary cause of the problems in this area. As a result records listing students did not accurately identify students not meeting academic standards at the end of the 1997 Spring semester.

Corrective Plan of Action: The university has developed a new Satisfactory Academic Progress policy, that has been reviewed and approved by the United States Department of Education. The policy has been reviewed by a committee appointed by the University of Louisiana Board of Trustees and the Board plans to adopt our policy as the state's minimum standards for satisfactory academic progress at its February 1998 meeting. The new policy effective for the Fall 1997 semester, will be used in evaluating students' progress at the end of Spring 1998. Efforts are underway to coordinate with the Information Resource Center to ensure a revised and approved computer program that will accurately identify students not meeting the standards soon after the grades have been posted. The testing process should be completed by March 1, 1998. The Director of Financial Aid is responsible for this plan of action.

In addition, the procedures for clearing students' system files have been updated to allow only the Assistant Director and the System Program Analyst to remove the flag, thus allowing the student to receive aid.

97-03 Federal Family Education Loan Limits

Response: We concur with the findings and recommendation. The updated processing procedures do not monitor annual loan limits for a grade level because it is not a federal mandate. Only the aggregate loan limits will be monitored.

Corrective Action Plan of Action: The NSLDS section of the Student Aid Report will be used to monitor the aggregate loan limits for the students. Each staff member processing a loan will check this section. The Director and Assistant Director will conduct self-audits to ensure compliance. There is no completion date because this is a continuous process throughout the year.

97-04 Nursing Student Loan Program

Response: We concur with the findings and recommendation. The Coordinator of the Default Prevention Unit is working with the Accounting

Office to reconcile the $8,070 difference. We will take the necessary measures to refund the federal share of $46,987 to the Department of Health and Human Services.

Corrective Plan of Action: The Department of Health and Human Services will be contacted to determine the procedures for returning the federal share. The task will be completed no later than February 13, 1998. The Director of Financial Aid is responsible for this plan of action.

We are in the process of securing a contract with an outside agency to perform billing and collection activities for the Nursing Student Loan Program. The Default Prevention staff is presently contacting the delinquent and defaulted borrowers on a weekly basis.

97-05 Federal Perkins Loan Program (FPL)

Response: We concur with the findings and recommendation. In several instances where paperwork was missing, the paperwork had not yet been filed at the time of the audit. In some instances, the paperwork has been located and copies faxed to the auditor. New staff members have been hired in the Default Prevention Unit, and have started working toward making the necessary corrections to address the instances of noncompliance sited by the auditor.

Corrective Plan of Action: The Default Prevention Unit is in the process of implementing new filing procedures for Perkins paperwork. The files will be updated on a monthly basis to ensure that all pertinent paperwork has been properly filed. There will be monthly reconciliations with the Accounting Office as well as EduServ, the billing agency. The Coordinator of the Default Prevention Unit is responsible for this plan of action.

There is no completion date because this is a continuous process throughout the year.

97-06 Theft of Stipend Checks

Response: We concur with the finding and recommendation.

Corrective Plan of Action: We have revised our internal control procedures relating to stipends payments. The procedures now require supporting documentation on a monthly basis, verifying that the students receiving stipend payments have fulfilled their obligations for the period.

Programmatic Review of Student Financial Aid

Response: We concur with the findings and recommendation. University officials have met with officials of the United States Department of Education and are awaiting the final determination of any disallowed costs.

Corrective Plan of Action: The university has developed a new Satisfactory Academic Progress policy, that has been reviewed and approved by the United States Department of Education. The policy has been reviewed by a committee appointed by the University of Louisiana Board of Trustees and the board plans to adopt our policy as the state's minimum standards for satisfactory academic progress at its February 1998 meeting.

Thank you for your consideration of these responses. Please advise if you need further information.

Sincerely,

Dr. Leonard L. Haynes, III
Acting President

xc: Melvin L. Davis
Barry Delcambre
Grover C. Austin
Dr. Carroll J. Falcon

M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

LOUISIANA
Department of HEALTH and HOSPITALS
Bobby P. Jindal
SECRETARY

October 7, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

RE: Audits of Federal Subrecipients and State Contractors Not Obtained

Dear Dr. Kyle:

Reference is made to Mrs. Margie Bumm's letter to Mr. Stan Mead of September 3, 1997 regarding the reportable audit finding "Audits of Federal Subrecipients and State Contractors Not Obtained" for the year ended July 30, 1997. The Department concurs with the finding and associated recommendation.

I have written a letter to all Assistant Secretaries, OS Bureau Chiefs, and OMF Division Directors directing them to take whatever action is necessary to insure compliance with DHH Policies 3575-95 and 3105-96. (Attachment A) I have also asked them to discuss this issue at their next staff meeting and to review their practices on a periodic basis.

Additionally, Secretary Jindal has approved the recommendation of the Contract Review Committee not to review contracts or initiate new contracts with contractors that are not in compliance with the Policies (Attachment B).

Sincerely,

David W. Hood
Undersecretary

DWH/jbm

Attachments

cc: Stan Mead

OFFICE OF THE SECRETARY • P.O. BOX 629 • BATON ROUGE, LOUISIANA 70821-0629
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M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

Bobby P. Jindal
SECRETARY

MEMORANDUM

TO: Assistant Secretaries
OS Bureau Chiefs
OMF Division Directors

FROM: David W. Hood
Undersecretary

RE: Audits of Federal Subrecipients and State Contractors Not Obtained

DATE: October 7, 1997

DHH has been cited by the Office of the Legislative Auditor for failure to properly track audits of federal subrecipients and state contractors. By way of this correspondence, I am directing you to take the following actions:

- Review your current practices throughout your office, bureau, and/or division to insure they are in compliance with established departmental policies and procedures.
- At your next staff meeting, discuss with all staff the importance of properly recording time and attendance information.
- Perform periodic reviews to insure departmental procedures are being followed regarding this matter.

DWH/jbm

cc: Bobby Jindal
John LaCour

OFFICE OF THE SECRETARY • P.O. BOX 629 • BATON ROUGE, LOUISIANA 70821-0629
"AN EQUAL OPPORTUNITY EMPLOYER"

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

M. J. "Mike" Foster, Jr.
GOVERNOR

LOUISIANA
Department of HEALTH and HOSPITALS
Bobby P. Jindal
SECRETARY

August 22, 1997

MEMORANDUM

TO: Bobby P. Jindal, Secretary

FROM: Charles L. Lazare, Chairman
Cleish Dawkins
Charles Castille
John Landry
Nancy Fleming

RE: Audits of DHH Contracts

It is the recommendation of the Contract Review Committee not to review contracts or initiate new contracts with contractors that have not submitted an audit report within six months of the close of the contract period fiscal year or have unresolved audit findings from contracts with DHH for over six months after filing an audit report.

You have been provided an annual report by the Director of Fiscal Management that demonstrates there are currently 15 closed contracts without audits since June 30, 1996 and 28 audit reports with unresolved findings more than six months. We recommend the contracts on the current listing be given until September 30 before the above recommendation becomes effective and that it be effective for contracts ending between July 1, 1996, and June 30, 1997, on December 31, 1997.

CLL/tj

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS
OFFICE FOR CITIZENS WITH DEVELOPMENTAL DISABILITIES

M.J. "Mike" Foster, Jr.
GOVERNOR

LOUISIANA
Department of HEALTH and HOSPITALS

Bobby P. Jindal
SECRETARY

July 8, 1997

Daniel G. Kyle, Ph.D.
ATTN: Margaret W. Bumm, CPA
Office of the Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

Please find attached our official response to the FYE 6/30/97 audit finding, "Cash Subsidy Program Procedures Not Always Followed".

We apologize for the delay in getting our response to you: it had been prepared earlier, but was lost in our internal routing process. I hope that the delay did not cause you any inconvenience.

If you have need of any additional information regarding this matter or others, please do not hesitate to let me know.

Sincerely,

Bruce C. Blaney
Assistant Secretary

BCB:SAM

c: Stan Mead
Kindred Hodge
Judith Baker

1201 CAPITOL ACCESS ROAD - P.O. BOX 3117, BATON ROUGE, LOUISIANA 70821-3117
PHONE #504/342-0095- FAX #504-342-8823
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CORRECTIVE ACTION PLAN
IN RESPONSE TO FINDINGS BY THE OFFICE OF THE LEGISLATIVE AUDITOR REGARDING
THE OFFICE FOR CITIZENS WITH DEVELOPMENTAL DISABILITIES
CASH SUBSIDY PROGRAM

FINDING*	NAME OF PERSON RESPONSIBLE FOR CORRECTIVE ACTION	CORRECTIVE ACTION PLANNED	ANTICIPATED COMPLETION DATE
DHH did not always follow established guidelines for monitoring families receiving cash subsidy payments under the Community and Family Support System. In addition, the department also did not consistently follow procedures required for the annual review of families	Bruce Blaney	Educational Actions: A memorandum dated May 19, 1997, was sent to all regional offices reminding them of the requirements for quarterly contact and annual review. A state-wide meeting of staff involved in the cash subsidy program is planned for June, 1997. One of the topics to be addressed is the newly promulgated regulations for this program. Monitoring Actions: Site visits will be conducted quarterly by the responsible program manager, Brenda Boyd, to assess compliance and provide technical assistance in meeting the regulatory requirements.	Completed June 30, 1997 On-Going

* Please note that all errors occurred in the OCDD New Orleans office. The number of cash subsidy cases in that region increased more than two-fold when the OCDD assumed responsibility for administering the program for the Office of Public Health. No additional staff were provided to assist in administering the program.

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

LOUISIANA
Department of HEALTH and HOSPITALS

M. J. "Mike" Foster, Jr.
GOVERNOR

Bobby P. Jindal
SECRETARY

January 15, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Audit Finding

Dear Dr. Kyle:

Please refer to your letter of December 22, 1997 in which you cite the following audit finding.

HEALTH AND HOSPITALS, DEPARTMENT OF

Electronic Data Processing Control Weaknesses

The Department of Health and Hospitals has not ensured that UNISYS, the fiscal intermediary with which the Department contracts to process over $3 billion in medical claims for the Medical Assistance Program (CFDA 93.778) has established an adequate internal control structure relating to electronic data processing (EDP) controls. General EDP controls are part of the control environment as well as control procedures over (a) application program development and maintenance, (b) logical access to programs and data, (c) computer operations, and (d) segregation of incompatible duties. Good general EDP controls are necessary to preserve the integrity of the system and to provide reliance on the results produced by the system.

Control deficiencies relating to program changes, system changes, access to systems, access to data, segregation of duties, supervision, and documentation were observed during our review of general EDP controls. These deficiencies could affect the integrity of programs, processing, and data. As a result, a general risk exists that programs and data could be accessed and modified without proper authorization, review, and approval. The Department of Health and Hospitals should ensure that UNISYS establish an adequate internal control structure relating to electronic data processing (EDP) controls to ensure the integrity of programs, processing, and data.

We concur with the individual finding and recommendation. In order to ensure that UNISYS strengthen the internal control structure in place for electronic data processing, the attached corrective action plan has been adopted by UNISYS and the department. The current primary contact persons are the UNISYS Security Analyst Jeff Raymond and the MMIS Manager Susan Taskin. The individual contact persons named below are UNISYS employees.

Item - 1. Application Program Development/Maintenance/Change Controls

Contact Person	Completion Date
Gloria Gardner or designee	December, 1997

Corrective Action: No program will be moved from test library to production without prior approval by UNISYS Management; in the event of a production problem Management will request authorization from the State. Copying of Source Code will be done simultaneously with compiling of programs into production and condition codes checked to insure both jobs ran successfully. The UNISYS file of State approved Design Change Requests will be matched to the log file, and a checkout system for the files implemented, to ensure copies are in the file and can be readily accessed.

Item - 2. Logical Access to Programs and Data

Contact Person	Completion Date
Jeff Raymond or designee	December, 1997 Note: Specified Senior on call Programmers will continue to have access to data files to be able to take action for after hours trouble calls.

Corrective Action: Update and delete access to production disk data files, tape data sets, production batch source code library, CICS transactions will be restricted to specified employees on a business need basis; no nonprogrammers will have access to test libraries and other EDP resources for which there is no need. Application Programmers will not have on line update capabilities or access to production programs.

Contact Person	Completion Date
Jeff Raymond or designee	September, 1997 Note: Monitoring and updating are ongoing activities to be done monthly by the Security Analyst.

Corrective Action: Security Code System in place replaced by ACF2 Transaction Security Rules; this provides better security with individualized access codes.

(Continued)Item - 2. Logical Access to Programs and Data

Contact Person	Anticipated Completion Date
Jeff Raymond or designee	March, 1998

Corrective Action: TSO execute access to the run and JCL libraries will be strictly limited to essential persons at the Baton Rouge and California facilities.

Anticipated Completion Date
February, 1998

Corrective Action: Tape bypass labeling procedures will be limited to programmers who handle tapes received from outside sources which require special handling due to abends or unique processing requirements.

Anticipated Completion Date
January, 1998

Corrective Action: Human Resources will notify (in writing) the Systems Manager of all employees terminated. Systems Manager will notify (in writing) the Security Analyst to suspend access.

Anticipated Completion Date
February, 1998

Corrective Action: The California facility will be alerted to provide read only access to the Operating System Libraries and to turn off the Quick Log on feature.

Item - 3. Supervision

Contact Person	Anticipated Completion Date
Royce Watts or designee	January, 1998

Corrective Action: The Systems Manager and specified Senior programmers will review coding or tests of program changes prior to moving a modified program into production.

Item - 4. Documentation

Contact Person	Anticipated Completion Date
Jeff Raymond or designee	June, 1998

Corrective Action: All security policies in this plan and others not in question will be in writing and a training plan will be implemented. This will be incorporated into the EDP policies and procedures manual which will also address duties, procedures, and guidelines for Data Center Personnel. A copy will be provided to the Department.

Contact Person	Anticipated Completion Date
Rick McKinney or designee	February, 1998

Corrective Action: Operations incident reports will be prepared to document occurrences and enable corrective action and Management Review. A copy of each is to be provided to the Department.

Contact Person	Anticipated Completion Date
Mary Hardy	June, 1998

Corrective Action: The organization chart will be updated and maintained to correctly reflect the Management/Supervisory Levels and to whom employees report. A copy will be provided to the Department.

Contact Person	Anticipated Completion Date
Royce Watts or designee	March, 1998

Corrective Action: Design changes will not be signed off by Agency personnel without review of accompanying documentation relative to layouts, input forms, control reports.

Item - 5. Physical Security

Contact Person	Completion Date
Rick McKinney or designee	December, 1997

Corrective Action: Computer Room access codes are to be changed monthly, at which time code will be provided only to authorized personnel.

It is our intention that the Corrective Action Plan adopted will ensure that internal controls for EDP are in place.

Thank you for the opportunity to present our plan.

Sincerely,

Thomas D. Collins
Medicaid Director

TDC/DA/SLT/sb

cc: Stan Mead
Dexa Alexander
Susan Wagner
Norm Nichols
Royce Watts
Jeff Raymond
Rick McKinney
Susan Taskin
File-OLA

M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

LOUISIANA
Department of HEALTH and HOSPITALS
Bobby P. Jindal
SECRETARY

October 29, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

We have received your audit finding "Failure to Reimburse Federal Share of Checks Outstanding More than 180 Days". The Department concurs with the findings and has the following comments :

1. The main reason for checks ranging from 185 to 712 days old not being reported the Health Care Financing Administration (HCFA) is that the process of canceling checks is manual process. Currently the process involves three (3) offices passing paperwork to each other .

   The Bank Reconciliation Unit (BRU) has not always been timely in notifying the Fiscal Intermediary Control Unit (FICU) of the outstanding checks; the FICU has not had the resources allocated to do the manual processing of the forms in a timely manner, and UNISYS has not made the commitment to keypunch the cancellation documents into their system in a timely manner. If any of the documents reject in the keypunch process, the paperwork must come back to the FICU to research and correct the paperwork.

   The corrective action plan for my office on this finding is the following:

   - The BRU will notify the FICU as soon as the reconciliation is completed so that the process can begin. Should there be any problem with the completion of the reconciliation, the BRU will notify the administrators of the Financial Management Section and Payment Management Section so that appropriate action can be taken on the cancelation process. The BRU and FICU are current through September, 1997.

- Develop a Microsoft Access database to keep track of the cancellations submitted to UNISYS and develop an interface with Microsoft Word that automatically prints the paperwork required at UNISYS for the keypunchintg of cancellations. This will reduce the processing time of the documents and make it easier for the FICU to process the cancellation request. The database and interface was completed on October 15, 1997.

- Allocate additional resources to the FICU to ensure that the cancellations are processed in a more timely manner. Paperwork was submitted to the Division of Human Resource Management on October 20, 1997 for an additional employee, and an Accounting Specialist 2 has now been specifically assigned the responsibility of processing the check cancellations every month.

- Notify UNISYS of this finding and request corrective action plan.

2. The Department's list of checks outstanding more than 180 days did include a check in the amount of $109,956,822 due to the fact that the check was in excess of $100,000,000 and could not be removed through normal processing. Even though the list was overstated by this check, all reports generated from the list were manually adjusted to reflect this problem with the system. Mr. Bobby Spann, Cash Management Unit, notified the Department of Social Services, Division of Information Services that the check had to be removed by them, and it has now been removed.

3. The BRU and FICU have been instructed to obtain all checks from UNISYS prior to initiating the cancellation. This should eliminate the duplicate credits to HCFA resulting from the cancellation of checks that are also being held at UNISYS.

Should you have any questions regarding our response or corrective action taken, please contact Mr. Ken Corkern, Administrator, Financial Management Section at 504-342-4379.

Sincerely,

Stan Mead

Stan Mead, Director
Division of Fiscal Management

SM:KC:aud97:checkout

M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

LOUISIANA
Department of HEALTH and HOSPITALS
Bobby P. Jindal
SECRETARY

November 4, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

We have received your audit finding "Failure to Reimburse Federal Share of Provider Overpayments". The Department concurs with the findings and has the following comments :

1. My office received a letter regarding the referenced account in January, 1996 indicating the matter had been resolved. We later received a memorandum indicating the provider's property had been seized and sold by the Department of Justice. At no time were we advised that there were outstanding judgements on the provider.

2. As you pointed out, the Louisiana Attorney General (AG) maintains and monitors the collection of the outstanding balances. We notify the AG monthly of all accounts we have on our books from that office. We request a verification of this listing within ten (10) days of receipt; however, when they fail to respond, we must assume that they concur with our list.

3. Mr. Ken Corkern, Administrator of the Financial Management Section, has notified the AG of this finding and requested a corrective action plan. He will also ensure that the receivable is reported to the Health Care Financing Administration on the next report submitted.

OFFICE OF MANAGEMENT AND FINANCE • DIVISION OF FISCAL MANAGEMENT
1201 CAPITOL ACCESS ROAD • P. O. BOX 3797 • BATON ROUGE, LOUISIANA 70821-3797
PHONE - 504/342-4204 • FAX # 504/342-4419
"AN EQUAL OPPORTUNITY EMPLOYER"

Should you have any questions regarding our response or corrective action taken, please advise.

Sincerely,

Stan Mead, Director
Division of Fiscal Management

SM:KC:aud97:providers

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

LOUISIANA
Department of HEALTH and HOSPITALS

M. J. "Mike" Foster, Jr.
GOVERNOR

Bobby P. Jindal
SECRETARY

November 4, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Laboratory Services Payment Errors

Dear Dr. Kyle:

We concur with the finding cited in your letter dated October 21, 1997. The specific laboratory codes in question were part of a longer list of codes on which the Department took the recommended action in November 1995. In the course of constructing edits to bundle laboratory codes for claims processing we failed to include two codes in the edits. A third code was not included in the revised logic as at the time Program Operations Staff did not agree on the billing use of the code. In August 1997 we corrected the claims processing logic to include bundling of the three codes in question.

The corrective action was the responsibility of Celia Gascon in Program Operations. The logic changes were made all paid claims with these three codes were reprocessed in the September 23, 1997 claim payment cycle. This reprocessing resulted in 34, 588 claims voided. The amount of recoupment established by the recycle was $293,160.41. No SURS referral was made in this instance.

Attached you will find the completed system request to Unisys which effected the corrective action on this finding.

Sincerely,

Thomas D. Collins
Director

cc: Stan Mead

M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

LOUISIANA
Department of HEALTH and HOSPITALS
Bobby P. Jindal
SECRETARY

October 7, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

We have received your audit finding "Medicaid Cash Management Errors". The Department concurs with the findings and has the following comments :

1. The $26,659,660 overdrawn was a result of the use of the same procedure used to account for the refunds totaling $16,591,423. After a thorough analysis of this process, we have amended the procedure for handling refunds, effective September 24, 1997, so that not only will the refunds be returned timely but the step in which the duplicate draw was made will also be removed.

   Effective September 24, 1997, we have marked the calendars of each of the employees responsible for the draws so that sufficient time is allowed prior to the federal holidays to ensure receipt in accordance with the CMIA agreement. We have also requested a listing of the holidays from the HHS Payment Management Division to verify that we have accounted for them all.

   Ken Corkern, Administrator of the Financial Management Section was responsible for these corrective actions.

2. The process used to identify allowable payroll and administrative costs was impacted greatly by the implementation of the new accounting system. Appropriate steps were taken during the year to ensure that reliable data is obtained from the system. Effective September 24, 1997 Ken Corkern, Administrator of the section is randomly reviewing the projections.

3. Medicare Buy-in payments are processed by the State Treasurer's Office. We notify both the Office of Statewide Reporting and Accounting Policy (OSRAP) and the State Treasurer's Office in writing of the date on which the payment should be made. We also call OSRAP on the date that the documents are forwarded to their office. I notified them of this finding on September 24, 1997, and again requested their assistance in assuring that the payments are transmitted timely. Additional corrective action is their responsibility.

Should you have any questions regarding our response or corrective action taken, please advise.

Sincerely,

Stan Mead

Stan Mead, Director
Division of Fiscal Management

SM:KC:aud97:medcmgt

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

M. J. "Mike" Foster, Jr.
GOVERNOR

LOUISIANA
Department of HEALTH and HOSPITALS

Bobby P. Jindal
SECRETARY

October 7, 1997

Dr. Daniel G. Kyle, CPA, CFE, Legislative Auditor
Office of Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

Please refer to your letter dated September 3, 1997 requesting an official response to the findings from your recent audit of Medicaid Eligibility Determination Errors for FYE 6/30/97. We have thoroughly reviewed Medicaid policy and the case records for the eligibility determinations determined to be in error. The Agency concurs with the auditor's findings of procedural errors and/or the need for policy clarification in these cases.

Identifiable verification of pregnancy could not be located in seven of the cases. The information currently used to verify pregnancy for Presumptive Eligible cases is a statement signed by the Qualified Provider, which is located on the reverse of the Presumptive Eligible application/eligibility certification form. Current instructions for this form specify that it should be filed in Section II of the Medicaid case record , along with other application forms, budget forms, and computer printouts. As corrective action, we will advise field staff that this form containing verification of pregnancy shall be filed in Section I of the case record , along with other permanent verifications of categorical eligibility. Additionally, the instructions for this Medicaid form will be revised to indicate that the form shall be filed in Section I where it can be readily located. The projected date of completion for this corrective action is December 31, 1997.

In two of the cases, the accepted verification of pregnancy was a written statement signed by a physician on a prescription pad indicating the "E D C" and a date. While "E D C" is a standard abbreviation used by physicians for "Estimated Date of Confinement" prior to delivery, we concede that this information should be incorporated into the Medicaid policy manual regarding acceptable documentation of pregnancy. Steps have been initiated to make this policy revision. The projected date of completion for this corrective action is December 31, 1997.

One case was determined to be in error because medical certification of eligibility for placement in an Intermediate Care Facility for the Handicapped was not in the case record. The recipient had been in Pinecrest Developmental Center since 1960. In accordance with federal regulations, the case record had been purged of most material more than five years old, which may explain why the medical certification form was missing. A copy of the medical certification has been obtained from the Regional Health Standards Office and placed in the case record. As corrective action, a memo

will be issued to Long Term Care field staff requesting that upon redetermination of eligibility, the Examiner shall assure that a medical certification form for the current placement is in the case record. This will be effective beginning with redeterminations due November, 1997 and will be completed by November 1, 1998. Also, staff will be instructed that medical certification forms shall not be destroyed, regardless of date, when purging case records.

Following the 1996 legislative audit, a major corrective action initiative was undertaken to address problems discovered in that audit. As that corrective action initiative did not begin until November, 1996, the other errors identified in the most recent audit occurred before the implementation of our corrective action efforts. Corrective action efforts which began in November of 1996 will be continued and refined. These efforts include mandatory first and second level supervisory case reviews and quarterly corrective action meetings within each region.

Each region submits a quarterly summary of cases reviewed and error findings, and the data is analyzed to identify error trends and areas for further concentration of statewide corrective action efforts. Corrective action on the individual cases identified to be in error has been completed, and in two of these cases, information missing from the record at the time of the audit which resulted in an error finding, was located and placed in the case record.

You recommended that the Department review the eligibility determination process and the training program for Eligibility Examiners, and we will complete this review by November 30, 1997. We will also direct field staff to focus on procedural errors as well as eligibility errors in future case reviews.

The contact person responsible for corrective action initiatives is I.D. Trent, BHSF Field Operations Section Chief. His telephone number is 342-3032, should additional information be required. Please be assured that the Agency is committed to implementing corrective action to address the problems brought to our attention by this audit.

Sincerely,

Thomas D. Collins, Director
Bureau of Health Services Financing

TDC:DA:IDT

c: David Hood
Stan Mead
Dexa Alexander
Ivory Trent

M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

LOUISIANA
Department of HEALTH and HOSPITALS
Bobby P. Jindal
SECRETARY

October 23, 1997

Daniel G. Kyle, PhD., CPA, CFE, Legislative Auditor
Office of the Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

RE: FY 96-97 Louisiana Single Audit Findings
Medicaid Third Party Liability Review

Dear Dr. Kyle:

You will find attached, resolutions to the findings cited in the FY 96-97 Medicaid Third Party Liability Louisiana Single Audit Findings (42 CFR Ch. IV, 433.135 - 433.154) dated September 8, 1997, and to which we responded September 16, 1997.

Finding #1 addressed the absence of third party information gathered but not entered on the MMIS (claims processing) Resource File. Information contained in the parish case records indicated third party resources; however, private health insurance information was not data entered/transmitted to MMIS.

Resolution: Mr. Ivory Trent, BHSF Field Operations, disseminated the attached directive to all Medicaid Regional Administrators. We did note and advised Mr. Trent that the information is in error on page 3, section VII, paragraph one, second sentence, as TPL health insurance information can be data entered into the state "holding/transmitting file" via field staff or other authorized staff and transmitted to MMIS whether the case is in closed or open status.

One record reflected an error as Medicare coverage was not electronically transmitted to the MMIS Resource File from the state's Bendex System. Georgia Stokes, MMIS, TPL/Medicaid Recovery Unit is in the process of resolving this problem by requesting alteration of DSS programming logic for Spend-Down Medically Needed cases. DSS programming are projecting that the update and testing to resolve this problem can be completed by the first week in November 1997. We will advise you when the problem is resolved and functioning properly. Until the programming has been updated, the TPL Unit

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is authorizing fiscal intermediary online manual updates to the File.

Finding #2 addresses the absence of the assignment of rights statement for DS S cases with the recipient's acknowledging signature.

Resolution: Refer to the attached correspondence from Ms. Carolyn Hitt on behalf of DSS/Vera Blakes, Assistant Secretary, assuring DHH/BHSF that the attachment (effective 01-97) to the application, which fully explains assignment of rights, is a mandatory attachment and will continue to be such until included as part of the main application.

Should you have any questions or need additional information, please contact Georgia Stokes at (504)342-9250.

Sincerely,

Thomas D. Collins, Director
Bureau of Health Services Financing

TDC:DA:ST:GS:wp

Attachments (8)

M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

LOUISIANA
Department of HEALTH and HOSPITALS
Bobby P. Jindal
SECRETARY

October 8, 1997

MEMORANDUM

TO: Medicaid Regional Administrators

FROM: I. D. Trent, Section Chief
BHSF Eligibility Field Operations

RE: **Legislative Audit Findings - FYE 06/30/97**
Medicaid Third Party Liability Errors

The recent Legislative Audit of Third Party Liability revealed errors in 3 of the 57 cases which were attributed to field staff. Verification of private health insurance was found in the case files, however, no action had been taken to add the Third Party Liability to the Health Insurance Resource File (Bendex Option E). Consequently, Medicaid paid the entire claim.

The **Code of Federal Regulations (42 CFR 433.135-433.154)** requires that state agencies take reasonable measures to determine the legal liability of third parties and requires assignment of those third party liability (TPL) rights to Medicaid.

Eligibility determinations must be adequately supported by documentation and verification within the case file and **on the computer systems** (WIS and MMIS). Failure to establish eligibility in accordance with federal and state laws and regulations, and to maintain documentation to support eligibility determinations, results in potential overpayments to providers for Medicaid recipients.

State law mandates that the agency formulate a comprehensive corrective action plan to address deficiencies identified in LEGISLATIVE AUDITS. The following corrective actions shall be taken.

I. CASE FILE REVIEWS

It was noted that in one case file, the recipient had health insurance coverage on a prior certification under a different WIS Identification number. This information was available in both the case record and on the BENDEX system.

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- Contrary and conflicting information can be revealed by a brief case review. Eligibility Examiners *should* review case records PRIOR to certification and/or recertification. Additionally, prior BHSF Resources, Budget Worksheets, INS-H and Employer forms should be reviewed for additional information and or contrary and conflicting information.

II HEALTH INSURANCE RESOURCE FORM, BHSF #INS-H

It was noted that the BHSF Form INS-H in some case files had not been updated at redetermination nor had a Case Activity entry (CD-1) been made to document that TPL had been reviewed.

- Review BHSF Form INS-H and the instructions. Remind staff that the INS-H form is to be *updated at application and at **EACH redetermination***.

- Forms INS-H, INS-HR, INS-RR, TPL Carrier File/Update Form #LMMIS/TPL-CF-1, TPL Resource File Report #LAM30072, health insurance policies, health insurance cards, and related correspondence shall be filed **together** in Section 1 of the case file.

- It is recommended that a screen print of the INS-H data screen be made prior to "entering" computer data of *INS-H information. The INS-H form with the print-out attached will be* readily available and verifies exactly what information was entered into BENDEX. This may help eliminate duplicate TPL files for the same insurance policy.

III. BENDEX FILE

- Ensure that staff members have knowledge on how to obtain TPL data from Bendex. (Copies of Screen Prints attached)

1)	DSS Main Menu	Choose BENDEX
2)	BENDEX Main Menu	Choose Option E - Third Party Liability
3)	HEALTH Ins SubMenu	Choose Option I-Inquire TPL History Rec
4)	INQUIRE Health Ins	Mark "X" to view policy
5)	HEALTH Ins Resource Inquire Screen provides TPL information.	

- Clearance of the Bendex system for Third Party Liability is to be completed PRIOR to initial certification of all type cases, other than Type Case 40 (SLMB).

IV. SLANT REVIEWS

- First line supervisors shall conduct random TPL slant reviews yearly.

V. DOCUMENTATION

Several of the cases reviewed did not have the shaded "Verification/Documentation" sections of

the application/redetermination forms completed.

- Encourage staff to document cases in a manner that would clearly explain the client's situation and circumstances. Remind staff that cases are randomly reviewed by Quality Control, auditors, and management and that documentation and verification are **essential** to establishing an accurate case file.

- In one case reviewed, the client repeatedly reported health insurance at application and at redeterminations. The client also provided copies of the health insurance policy on two separate occasions, however, no action was ever taken by the worker to add the TPL to the case. Situations where TPL is repeatedly overlooked should be reviewed by the first line supervisor and discussed with the worker during individual conference.

- General information regarding Third Party Liability offered and/or automatic through employment, universities, or other establishments in the region should be shared with staff

VI. M.E.M. POLICY AND OTHER DATA TO BE REVIEWED

A review of the following policies and information should be conducted by staff.

- I-200 Assignment of TPL
- I-211 Automatic Assignment
- I-211.1 Non-SSI Applicant/Beneficiary
- I-211.2 SSI Applicant/Recipient
- I-212 Cooperation
- I-212.3 Establishing Good Cause
- I-213 Denial or Termination of Eligibility
- P-100 Third Party Liability (TPL)
- P-200 Indicators of Potential Party Resources
- P-400 Local Office/BHSF Responsibilities
- P-411 Railroad Retirement Medicare Entitlement
- Medicaid Administrative Memo #25-95 / TPL Pay and Chase
- Interim Program Guidelines #96-3, Supplement 2 / Assignment of TPL
- Medicaid Forms Manual / INS-H-1 and INS-H-2 instructions

VII. TPL DATA ENTRY ON OPEN/CLOSE CERTIFICATIONS

An error was sited on one Spend-Down Medically Needy Program case file because the TPL Resource File did not list the recipient's Medicare coverage. Spend-down MNP certifications (Type Case 21) are opened and closed simultaneously, which does not allow for TPL data entry.

Further corrective action on TPL data entry for automatic open/close type cases will be implemented as procedures are developed.

VIII. SSI RECIPIENTS REFUSING TO ASSIGN AND/OR COOPERATE WITH TPL REQUIREMENTS

Availability of INFOPAC Report #SSD113, TPL/SSA/SDX, is being requested for parish office staff and will be available later this month.

This report is generated through SDX and serves as our notification from SSA of SSI recipients that did NOT agree to cooperate and /or provide information regarding Third Party Responsibility for health expenses.

Information provided on this report includes TPL Code and Medicaid Eligibility Code "**N**", social security number, name, pay status, and effective date.

The TPL/SSA/SDX report shall be cleared **monthly** at the parish office level. Controls are being established by State Office Field Operations to ensure these cases are processed timely. Continued delays in contacting recipients, sending notices, and changing Inclusion Codes could result in recovery referrals to TPL Recovery (BHSF Form TPL/MR).

Please confirm that TPL training of all staff in your region has been completed by 12/1/97 and provide a brief report of corrective action initiatives in your region to address potential errors.

If you have any questions regarding this matter, please contact me.

IDT:LL

cc: Dexa Alexander, Asst. Director
Donna Dedon, Eligibility Program
Susan Taskin, MMIS
Georgia Stokes, TPL Unit
Ruth Kennedy, Field Operations

Attachments

State of Louisiana
Department of Social Services
OFFICE OF FAMILY SUPPORT
755 THIRD STREET, ROOM 321
P.O. BOX 94065
PHONE - 504/342-3859 FAX - 504/342-6996
BATON ROUGE, LOUISIANA 70804-9065

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MADLYN B. BAGNERIS
SECRETARY

October 13, 1997

MEMORANDUM

TO: Georgia Stokes, Manager
Third Party/Medicaid Recovery Unit

FROM: Carolyn Hitt, Director
Administrative Services Division

RE: DSS Legislative Auditor FY 96/97 Audit Findings
OFS Application for Assistance - Form 4/Form 4 Attachment
Assignment of Rights Information

Refer to Mr. Collins' memo of September 17, 1997 and to our phone conversation of October 10, 1997 regarding the above.

As we advised you in our memo of September 12, 1997, the Assignment of Rights Information was included on the Form 4 Attachment revised in January 1997 (a copy of which is attached). This attachment is part of the application form and must be used for any application and redetermination of households applying for food stamps and cash assistance.

We do plan to revise our application form (Form 4) in the near future. At that time, all necessary information will be incorporated into the form .

Please advise if further information is required.

BGO

Attachments

c: Vera Blakes
Lionel Anthony
Carolyn Hitt
David Sigue

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M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

LOUISIANA
Department of HEALTH and HOSPITALS
Bobby P. Jindal
SECRETARY

October 7, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

RE: Noncompliance with Payroll Regulations

Dear Dr. Kyle:

Reference is made to Mrs. Margie Bumm's letters to Mr. Stan Mead of July 1, 1997 and September 5, 1997 regarding the reportable audit finding "Noncompliance with Payroll Regulations" for the year ended July 30, 1997. The Department concurs with the finding and associated recommendation.

I have written a letter to all Assistant Secretaries, OS Bureau Chiefs, and OMF Division Directors directing them to take whatever action is necessary to insure compliance with departmental policies regarding time and attendance records. (Attached) I also instructed them to discuss this issue at their next staff meeting and to review their practices on a periodic basis. Additionally, I have attached the individual corrective action plans for the items cited in the current audit finding.

The Department takes this finding very seriously and is making every effort to resolve any future reoccurrences. However, due to the size of DHH, with over 310 individual payroll units and over 5,700 employees paid through our central office, the probability of reoccurrences exists.

Sincerely,

David W. Hood
Undersecretary

DWH/jbm

Attachments

cc: Stan Mead

M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

Bobby P. Jindal
SECRETARY

MEMORANDUM

TO: Assistant Secretaries
OS Bureau Chiefs
OMF Division Directors

FROM: David W. Hood
Undersecretary

RE: Noncompliance with Payroll Regulations

DATE: October 7, 1997

DHH has been cited by the Office of the Legislative Auditor for noncompliance with payroll regulations related to the properly recording of time and attendance records. By way of this correspondence, I am directing you to take the following actions:

- Review your current practices throughout your office, bureau, and/or division to insure they are in compliance with established departmental policies and procedures.
- At your next staff meeting, discuss with all staff the importance of properly recording time and attendance information.
- Perform periodic reviews to insure departmental procedures are being followed regarding this matter.

DWH/jbm

cc: Bobby Jindal
John LaCour

OFFICE OF THE SECRETARY • P.O. BOX 629 • BATON ROUGE, LOUISIANA 70821-0629
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M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

LOUISIANA
Department of HEALTH and HOSPITALS
Bobby P. Jindal
SECRETARY

July 11, 1997

MEMORANDUM

TO: Mr. Stan Mead, Director
DHH Division of Fiscal Management

FROM: I. Trent, Chief
BHSF Eligibility/Field Operations

RE: **Legislative Auditors Review - Payroll Regulations**

In accordance with the directive of Mr. Thomas Collins, Director of Bureau of Health Services Financing, I am providing this response to the Legislative Audit of payroll activities involving Medicaid Eligibility Field Operations.

We have reviewed the audit findings and have determined them to be valid. I will be responsible for the corrective action plan as described below. The plan will be implemented effective July 25, 1997 (the last work day in the upcoming pay period) and shall be ongoing.

Medicaid Eligibility Field Operations was cited for three (3) deficiencies during this audit.

(1). **Offices With Incompatible Functions**

We failed to establish a second reviewer to determine the validity of the payroll clerks input into Fixed Time Entry upon receipt of payroll registers.

Corrective Action

Regional Administrafors are being directed to designate responsibility for reviewing reports generated by the Uniform Payroll System to a **different** employee than the employee who keys in

time and leave. All reports generated by the Uniform Payroll System will be reviewed by the responsible employee within two (2) working days of receipt and signed and dated to document the review. The payroll clerk's immediate supervisor or his designee shall conduct a follow up review to that of the payroll clerk. Regional Offices will be required to submit no later than Friday, June 25, 1997, the names of the two (2) persons with this responsibility in each office where payroll is input, and whether their function is keying time and attendance or reviewing reports.

(2). **Missing Authorization Forms for Overtime**

We were cited for eight (8) instances of failing to document authorization for compensatory time earnings.

Corrective Action

To safeguard against future oversight in this area, payroll clerks will be required to personally prepare missing compensatory time earnings authorization sheets immediately upon completion of Fixed Time Entry activities for the pay period. Both the earner and supervisor will be required to signed the compensatory authorization sheet.

(3). **Employee and Supervisor Approval Missing From Time and Attendance Records**

We were cited for two (2) instances in which employees failed to initial attendance records at the end of the payroll period. In one instance the employee was on approved leave on payroll deadline and in the other, the failure was due to oversight.

Corrective Action

Supervisory staff will be directed to remind employees of the importance of reviewing and initialing attendance records prior to entry onto Fixed Time Entry. Additionally, we will mandate that attendance records are reviewed by the appropriate supervisory personnel **before** they are submitted to payroll clerks. Payroll clerks will be instructed to not enter uninitialed attendance records onto Fixed Time Entry unless the employee is on leave. The payroll clerk will route copies of attendance records for employees who were on leave on payroll deadline to the appropriate supervisor who will be required to establish controls to assure the attendance record is initialed and subsequently returned to Payroll upon the employees' return to work.
In the case of an extended absence, the supervisor will be required to mail the copy of the attendance record to the employee for initialing and return.

To monitor this plan effectiveness and staff compliance, Regional Administrators and I will be required to conduct random unannounced internal payroll audits on a quarterly basis. In addition

to the three (3) areas of deficiency cited in this review we will focus attention on leave slip preparation.

Although these deficiencies were noted in only three (3) of our offices within two (2) regions, it is reasonable to conclude they exist statewide. Therefore, this corrective plan is being implemented throughout Medicaid Eligibility/Field Operations.

Please advise is additional information is required.

cc: Thomas Collins
Dexa Alexander
Ruth Kennedy
Medicaid Regional Administrators

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

M. J. "Mike" Foster, Jr.
GOVERNOR

LOUISIANA
Department of HEALTH and HOSPITALS

Bobby P. Jindal
SECRETARY

July 17, 1997

MEMORANDUM

TO: Stan Mead, Division Director
Division of Fiscal Management

FROM: Lily McAlister, Manager, Health Standards Section

RE: **FY 1997 Reportable Audit Findings - Health Standards Section**

The New Orleans Health Standards Regional Office (SECTION 39/2111) was part of the Department's reportable audit findings for the period PPE 9/22/96 in the area of Problems with Leave Slips. The following is the response of the Health Standards Section to the Legislative Audit of payroll activities as directed by Mr. Thomas Collins, Director of the DHH/Bureau of Health Services Financing.

The audit findings have been determined to be valid. Ken Baker will be responsible for the corrective action plan described below. The plan will be implemented effective July 26, 1997.

Problems with leave slips:

Citations: three (3) missing leave slips and one (1) leave slip unsigned by the supervisor.

Corrective Action

1) The identified missing leave slips (3) have been executed, approved and signed.
2) The identified unsigned leave slip (1) has been obtained and properly processed.

To assure that the problems identified will not recur, the Health Standards section supervisory staff will review attendance records and leave slips for completion and accuracy **before** they are submitted to the payroll clerk for entry into the uniform payroll system.

The Health Standards section will also provide all its regional offices with the results of the audit performed. This memo will describe the findings throughout the department and corrective actions to address the findings. For monitoring purposes, unannounced internal payroll audits will be conducted by Ken Baker and the regional administrator for purposes of monitoring plan effectiveness and staff compliance. This plan will be completed within 30 days of implementation and shall be on-going.

cc: Thomas Collins, Dexa Alexander, Regional Administrators, Lena Johnson

MEMO97D.SM

OFFICE OF MANAGEMENT AND FINANCE • BUREAU OF HEALTH SERVICES FINANCING • HEALTH STANDARDS SECTION
1201 CAPITOL ACCESS ROAD • P.O. BOX 3767 • BATON ROUGE, LOUISIANA 70821-3767
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STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

M. J. "Mike" Foster, Jr.
GOVERNOR

LOUISIANA
Department of HEALTH and HOSPITALS

Bobby P. Jindal
SECRETARY

July 17, 1997

MEMORANDUM

TO: Stan Mead, Division Director
Division of Fiscal Management

FROM: Lily McAlister, Manager, Health Standards Section

RE: **FY 1997 Reportable Audit Findings - Health Standards Section**

The New Orleans Health Standards Regional Office (SECTION 39/2111) was part of the Department reportable audit findings for the period PPE 9/22/96 in the area of Problems with Leave Slips.

This is a follow-up to your memo of July 11, 1997 wherein a corrective action plan was written and implemented effective for July 25, 1997.

Health Standards plan implementation:
1) Identified missing leave slips (3) have been executed, approved and signed.
2) An identified unsigned leave slip (1) has been obtained and properly processed.

In accordance with the plan submitted, the Health Standards section supervisory staff will review attendance records and leave slips for completion and accuracy **before** they are submitted to the payroll clerk for entry into the uniform payroll system.

We also understand and are informing all Health Standards Regional Staff that random unannounced internal payroll audits will be conducted by the regional administrator for purposes of monitoring plan effectiveness and staff compliance.

cc: I. Trent, BHSF Eligibility Operations
Lena Johnson, Health Standards Section, New Orleans Region

MEMO97D.SM

OFFICE OF MANAGEMENT AND FINANCE • BUREAU OF HEALTH SERVICES FINANCING • HEALTH STANDARDS SECTION
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LOUISIANA
Department of HEALTH and HOSPITALS

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

July 17, 1997

M E M O R A N D U M

TO: Stan Mead, Division Director
Division of Fiscal Management

FROM: Lily McAlister, Manager, Health Standards Section

RE: **FY 1997 Reportable Audit Findings - Health Standards Section**

The New Orleans Health Standards Regional Office (SECTION 39/2111) was part of the Department reportable audit findings for the period PPE 9/22/96 in the area of Problems with Leave Slips.

This is a follow-up to your memo of July 11, 1997 wherein a corrective action plan was written and implemented effective for July 25, 1997.

Health Standards plan implementation:
1) Identified missing leave slips (3) have been executed, approved and signed.
2) An identified unsigned leave slip (1) has been obtained and properly processed.

In accordance with the plan submitted, the Health Standards section supervisory staff will review attendance records and leave slips for completion and accuracy **before** they are submitted to the payroll clerk for entry into the uniform payroll system.

We also understand and are informing all Health Standards Regional Staff

that random unannounced internal payroll audits will be conducted by the regional administrator for purposes of monitoring plan effectiveness and staff compliance.

cc: I. Trent, BHSF Eligibility Operations
Lena Johnson, Health Standards Section, New Orleans Region

MEMO97D.SM

OFFICE OF MANAGEMENT AND FINANCE • BUREAU OF HEALTH SERVICES FINANCING • HEALTH STANDARDS SECTION
1201 CAPITOL ACCESS ROAD • P.O. BOX 3767 • BATON ROUGE, LOUISIANA 70821-3767
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M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

Bobby P. Jindal
SECRETARY

July 16, 1997

Memorandum

To: Stan Mead, Director
Division of Fiscal Management

From: Alton E. Hadley
Assistant Secretary

Re: Audit Findings on Incompatible Functions

In regards to the Audit Findings for offices with incompatible functions, I concur with the finding for our Lafayette Substance Abuse Clinic. I am also attaching a memo from Ms. Joyce Ben our Regional Administrator stating that corrective action was taken on March 3, 1997 regarding this finding.

If you need additional information, please call David McCants at (504) 342-2570.

AEH:cs

Attachment

OFFICE OF ALCOHOL AND DRUG ABUSE
1201 CAPITOL ACCESS ROAD • P. O. BOX 2790 • BATON ROUGE, LOUISIANA 70821-2790
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STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

M. J. "Mike" Foster, Jr.
GOVERNOR

Bobby P. Jindal
SECRETARY

July 15, 1997

MEMORANDUM

TO: Mr. David McCants, Fiscal Officer
OFFICE OF ALCOHOL AND DRUG ABUSE

FROM: Ms. Joyce M. Ben, BCSW, BCSAC
A/Da Regional Administrator I

RE: PAYROLL AUDIT FINDING REGARDING INCOMPATIBLE FUNCTIONS AT THE LAFAYETTE ALCOHOL AND DRUG ABUSE CLINIC

As per our telephone conversation on yesterday, I am submitting this written response regarding the above referenced subject matter.

Based on the exit conference with the auditors, corrective action was taken after March 3, 1997 where the timekeeper's supervisor reviews the payroll and signs off on the documentation every two weeks after a pay period.

Please call me if you have any additional questions or concerns.

OFFICE OF ALCOHOL AND DRUG ABUSE • LAFAYETTE ALCOHOL AND DRUG ABUSE CLINIC
400 ST. JULIEN AVENUE • SUITE 1 • LAFAYETTE, LOUISIANA 70506-4622
PHONE - 318/262-5870 • FAX # 318/262-1272

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS
OFFICE FOR CITIZENS WITH DEVELOPMENTAL DISABILITIES

July 15, 1997

M.J. "Mike" Foster, Jr.
GOVERNOR

LOUISIANA
Department of HEALTH and HOSPITALS

Bobby P. Jindal
SECRETARY

Mr. Stan Mead, Director
Division of Fiscal Management
Department of Health and Hospitals
Post Office Box 3797
Baton Rouge, Louisiana 70821-3797

Dear Mr. Mead:

This letter is to inform you that we concur with the audit finding for the Office for Citizens with Developmental Disabilities. Following is the corrective action plan for each audit finding:

AUDIT FINDING	CORRECTIVE ACTION PLAN
Incompatible Functions	Ms. Janice Vaughn, timekeeper, will no longer be responsible for reviewing reports generated by the Uniform Payroll System and key in time and leave for section 00/4000. The reports will be reviewed by Ms. Ethel M. Stagg, Human Resource Manager. Ms. Vaughn will continue to key in the time and leave. The target date for the reassignments is July 18, 1997.
Employee and Supervisor Approval Missing From Time Attendance Records	On July 11, 1997 a letter was issued to OCDD Central Office employees (copy attached) reminding them to sign time sheets to verify their time. Ms. Janice Vaughn is in the process of reviewing all prior pay period time sheets, for fiscal year 96/97, to obtain all missing employee and supervisor signatures. The target date to obtain all necessary signatures is July 25, 1997.

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PHONE #504/342-0095 - FAX #504-342-8823
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If you have any questions or need additional information, please contact Ethel M. Stagg at 342-6822.

Sincerely,

Bruce C. Blaney
Assistant Secretary

BCB:EMS:jwv

Attachment

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS
OFFICE FOR CITIZENS WITH DEVELOPMENTAL DISABILITIES

July 11, 1997

M.J. "Mike" Foster, Jr.
GOVERNOR

LOUISIANA
Department of HEALTH and HOSPITALS

Bobby P. Jindal
SECRETARY

MEMORANDUM

TO: OCDD Central Office Employees

FROM: Alma C. Stewart
Deputy Assistant Secretary

RE: Time and Attendance Audit Findings

This Office has been cited by the Legislative Auditor's Office regarding employee's not signing their names at the end of each pay period.

It is imperative that all of you sign your name on the payroll sheet verifying your time.

Thank you.

ACS:jwv

1201 CAPITOL ACCESS ROAD - P.O. BOX 3117, BATON ROUGE, LOUISIANA 70821-3117
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"AN EQUAL OPPORTUNITY EMPLOYER"

M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

LOUISIANA
Department of HEALTH and HOSPITALS
Bobby P. Jindal
SECRETARY

MEMORANDUM

July 21, 1997

TO: Stan Mead, Director
Division of Fiscal Services

FROM: Nancy Fleming, Human Resource Director Nancy
Division of Human Resources, Training & Staff Development

RE: Payroll Audit Findings

This is in response to the letter dated July 1, 1997 to you from Margaret Bumm from the Legislative Auditor's Office. We have reviewed our payroll records for the pay period ending November 17, 1996 and have come to the following conclusions:

- **Employee and Supervisor Approvals Missing From Time and Attendance Records (Employee - 3, Supervisor 15)**

  We concur with the finding and our corrective action plan is as follows:

  1. The Human Resource Director will review and approve all time sheets for accuracy.
  2. Employees will be reminded in the staff meeting which will be held on July 24, 1997 (followed up by a written reminder) to initial time sheets to assure accuracy.
  3. The time and attendance clerk will be instructed in writing to check that all time sheets are properly initialed by employees and signed by the Human Resource Director before filing.

- **Problems With Leave Slips (Unsigned Leave Slip by the Supervisor - 1)**

  We concur with the finding and our corrective action plan is as follows:

  1. Supervisors will be reminded to sign all leave slips.
  2. The time and attendance clerk will assure that all leave slips are properly signed before entry into the automated UPS system.

OFFICE OF MANAGEMENT AND FINANCE • DIVISION OF HUMAN RESOURCES, TRAINING AND STAFF DEVELOPMENT
1201 CAPITOL ACCESS ROAD • P. O. BOX 1349 • BATON ROUGE, LOUISIANA 70821-1349
PHONE - 504/342-6477 • FAX # 504/342-6892
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- **Missing Authorization Forms For Overtime (Occurrences - 5, Number of Hours - 19.5)**

  We concur with the finding and our corrective action plan is as follows:

  1. A new overtime form has been adopted to document overtime requests and approvals (See Attached Form).
  2. Employees have been instructed to complete the overtime request form and obtain supervisory approval prior to working overtime or as soon as possible in emergency situations.
  3. The time and attendance clerk has been instructed to assure that all overtime is approved and documented before entering overtime into the UPS.

If any additional information is required, please let me know.

Attachment

NF/DL

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

LOUISIANA
Department of HEALTH and HOSPITALS

M. J. "Mike" Foster, Jr.
GOVERNOR

Bobby P. Jindal
SECRETARY

MEMORANDUM

July 22, 1997

TO: Stand Mead
DHH Fiscal Management

FROM: Andrew P. Twyman
Deputy Assistant Secretary

RE: Response to Legislative Auditor's Payroll Findings

This is in response to the Legislative Auditor's findings of noncompliance with payroll regulations within the Office of Mental Health. The Office of Mental Health contends that the majority of the Legislative Auditor's findings were due to poor documentation organization rather than actual noncompliance with the payroll regulations. It is quite understandable how the auditors would interpret this misfiling of payroll records as suggesting that the required items were missing.

In order to adequately respond to the findings of the Legislative Auditor we assigned Lester Mut, Executive Officer, to investigate the specific findings of each facility. Each Regional Manager affected was contacted by Mr. Mut, who requested a response to each of the findings. Their responses are as follows:

Region I - Lynne Scroggins

New Orleans Mental Health/Charity (59/3371, 3355, 3383) - Received written response (Attachment #1) from Administrator William Malone which stated that they have hired a backup payroll clerk who will be responsible for reviewing the reports generated by the Uniform Payroll System. In the interim, India Amacker, Human Resource Manager, will review the reports. Detailed responses to the other findings can be found in Mr. Malone's memo. All missing leave slips, overtime authorizations and sign-in sheets are attached. The blank time sheet signed by Mr. Malone in error was voided. The remaining blank time sheets signed by Ms. Drumgo-Bridges in error, were the last pages of daily time sheets. The pages in front of this page were printed with the employees' names. The blank sheets were extra. Ms. Drumgo-Bridges has been advised not to sign these blank pages.

Desire Mental Health Center (17/1006) - Spoke with Clinic Manager, Napoleon Benoit, who stated that the finding of incompatible functions was accurate at the time of the audit. Duties have been reassigned so that Mattie Hillard will key payroll information and Debbie Morrison will verify accuracy against computer reports. In addition, procedures were put into place that any infractions of payroll regulations must be reviewed by Mr. Benoit.

Region III - Don Airhart

Terrebonne Mental Health Center (26/1015) - Received written response from Joyce Matthews (Attachment #2) stating that measures are now being taken to ensure all approvals are

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obtained before completing pay period time sheets. In speaking with Ms. Matthews she stated that in regards to the incompatible functions findings, they have segregated the duties of reviewing the payroll reports from those of keying the payroll information. Ms. Matthews will be responsible for verifying the accuracy of the payroll reports.

Region VI - Tommy Davis

Alexandria Mental Health Center (12/1001) - Received a written response (Attachment #3) from Mr. Davis. Regarding the incompatible functions finding the response states that the review function has been shifted to another employee. Any irregularities discovered as a result of these ongoing review will be reported directly to Mr. Davis. The employees whose approvals were missing were notified of the problem and approvals were received after the fact. The facility reported that only one leave slip was actually missing and this was corrected after the fact. Mr. Davis reviewed the audit findings during his general staff meeting and emphasized the importance of all staff assuming responsibility for complying with payroll regulations. In addition, Mr. Davis has directed his payroll/personnel staff to conduct an internal audit of the payroll records in approximately 30 days and quarterly thereafter.

Region VIII - Eva Claire Ginn

Monroe Mental Health Center (30/3315) - Received written response from Dewey Peel (Attachment #4) which stated that the findings regarding time sheets and leave slips not being approved were accurate. All time sheets and slips in question have since been corrected. The facility was already in the process of completing a self audit when the Legislative Auditors came in. On March 10, 1997 a new payroll person was hired and doing a much better job at completing documentation. Ms. Peel does not concur with the finding regarding incompatible functions as Toni Coble, who reviews the payroll reports, has never keyed payroll information.

Region IX - Larry Turner

Slidell Mental Health Center (50/1057) - Received a written response from Mr. Turner (Attachment #5) on all three facilities. Regarding the incompatible functions finding at Slidell Mr. Turner stated that Leola Landor will key in the time and leave, and Dorothy Cutwright will check reports for accuracy. Mr. Turner has instructed Ms. Landor not to key in time and attendance until approvals are obtained. In regards to the missing leave slip, Mr. Turner stated that it was in his box to be signed, however they will make every effort to ensure that all leave slips are signed on the same or next day.

St. Tammany Mental Health Center (38/6009) - Mr. Turner's response stated that Donna Foster will key in time and attendance, and Charlotte Parker will be responsible for verifying the computer reports.

Bogalusa Mental Health Center (13/1003) - Marie Mizell will key in time and attendance, and Judy Mickenheim will verify reports.

In addition to these responses, we have formed a task force to internally investigate compliance with payroll regulations. The task force consists of Jean Butler - Fiscal Officer, Steve Faulkner - Human Resource Manager, and Lester Mut, Executive Officer. This task force will perform an extended review of payroll procedures within the Office of Mental Health statewide. This process will mostly likely take at least six months to complete. In the meantime, we feel that the Regional Managers for

each of the facilities with findings have taken necessary steps to alleviate the weaknesses which resulted in the findings.

Should you have any questions regarding this response please contact Lester Mut at (504) 342-2623.

c: Richard C. Lippincott, MD
Anthony Speier, PhD
Jean Butler
Steve Faulkner

C:\DATA\WP\MEMOS\MEAD3.MEM

DEPARTMENT OF HEALTH AND HOSPITALS
OFFICE OF HUMAN SERVICES/DIVISION OF MENTAL HEALTH
MCL/MENTAL HEALTH SERVICES
1532 TULANE AVENUE - THIRD FLOOR
NEW ORLEANS, LOUISIANA 70112-2860

Cynthia Q. Dorsey
Human Resource Director
(504)568-2604
FAX (504)568-3654

July 15, 1997

To: Lester Mutt
Office of Mental Health

From: Cynthia Q. Dorsey
Human Resource Department

Re: Noncompliance with Payroll Regulations

This letter is in response to the internal audit conducted at our agency.

1. In regard to the internal control system, we have hired a back up payroll clerk who will be responsible for reviewing the reports generated by the Uniform Payroll System. This employee will start on July 28, 1997. In the meantime, India Amacker, Human Resource Manager, will review the reports.

2. Attached are the documents for cost centers 58/3355, 59/3371 and 59/3383.

   In cost center 3355 the sign in/out sheets that were missing were misfiled but have been found. (See attached)

   In cost center 3371, Yolanda Tesfainderais did not sign in/out on 9/22/97. (authorization for payment is attached) Tequilla Seals is a student worker who gets paid only for hours worked. The supervisor will code in *off* when she does not work. John Boudet signed for On-call duty on a separate sheet instead of 9/20/96.

3. In cost center 3371 all leave slips are attached and signed by employee and supervisor.

4. In cost center 3371 all authorization for overtime are attached.

5. In cost center 3355 there were several missing sign in/out sheets but they have been found, as stated above. There was one blank sheet that was signed, but it has been voided.

   In cost center 3371 and 3383 all time and attendance sheets are there. In cost center 3371 as stated above Tequilla Seals is a student who does not work every day. In cost center 3383 the employees work different shifts. The code S by Lavonzell Moses name means Separated. She separated her regular classified position to become a student worker. The code D by the other employees' names means Day Off. Valerie Jones was reassigned to W305 and she signed in on that unit.

   Our students in cost center 3355 sign in at different locations. Regina Goodman signs in on cost center 3372 in the mornings and on the Head Nurses sign in sheets in the evenings, Celyn Christophe has her own sign in sheets. Lavonzell Moses signs in on the Head Nurses Sign in sheets. (See attached sign in sheets.) This will account for the missing time and attendance sheets.

All of the time and attendance sheets, overtime sheets, leave slips and time entry sheets are enclosed.

If you have any questions, my telephone number is (504) 568-3657 or the Accounting Specialist in this office is Sherrie Smothers who can answer any questions regarding the payroll. Thank you.

cc: Lynne E. Scroggins
Regional Administrator

William Malone
Mental Hospital Administrator

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

M. J. "Mike" Foster, Jr.
GOVERNOR

Bobby P. Jindal
SECRETARY

July 21, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70821

Dear Dr. Kyle:

The department primarily concurs with the finding. We acknowledge that the problem of remaining within the $9.5 million cap should have been brought to the attention of the Joint Legislative Committee on the Budget at a date prior to the actual over-expenditure of the cap. The department does not concur that the over-expenditure penalized other programs as there was a substantial overall surplus in the Medicaid Program.

There are several circumstances surrounding this issue that made compliance with the $9.5 million cap problematic.

1. The expenditures in the program had already been reduced from $72 million in FY 93-94 yearly to approximately $13.1* million in FY 96-97 through a combination of rate reductions and regulatory standards (see attached chart).

2. The number of vehicles operating in the program decreased from over 2,200 in FY 93-94 to approximately 440 in FY 96-97.

3. The Code of Federal Regulations requires the Medicaid agency to ensure necessary transportation for recipients to and from providers (see attached).

4. Numerous problems associated with obtaining transportation are occurring because of provider shortages in certain areas (primarily rural).

5. The department was at one time under a consent decree (Pitt vs. Stewart - 1977) to assure necessary transportation. It is unclear whether the consent decree is still operating. However, we believe it is in the best interest of the state to maintain the program at a level which precludes reactivation of that decree or an imposition of a new one.

* Reflects estimated expenditure

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In effect, the department was caught between a cap amount which we believe was unreasonable given the extreme reductions that had already occurred and the circumstances listed above.

There is no corrective action plan required as the Non-Emergency Medical Transportation Program is not capped for fiscal 1997-98.

Sincerely,

Thomas D. Collins
Director

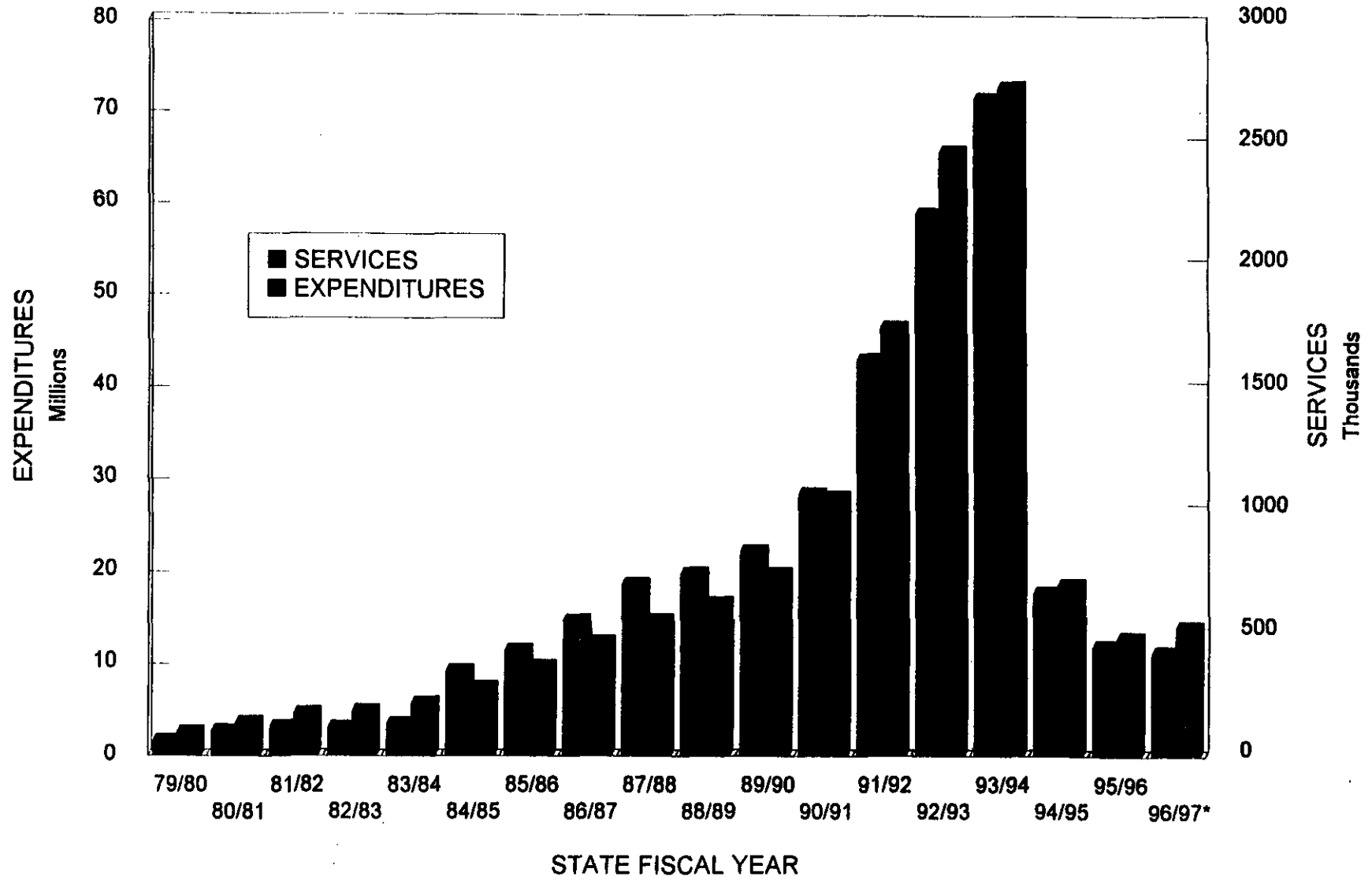
TDC/jpm

attachments

c: David W. Hood
Stan Mead
Ben Bearden

LOUISIANA'S NON-EMERGENCY TRANSPORTATION

HISTORICAL REVIEW



(3) The State determines, on the basis of medical advice, that the needed medical services, or necessary supplementary resources, are more readily available in the other State;

(4) It is general practice for recipients in a particular locality to use medical resources in another State.

(c) *Cooperation among States.* The plan must provide that the State will establish procedures to facilitate the furnishing of medical services to individuals who are present in the State and are eligible for Medicaid under another State's plan.

§431.53 Assurance of transportation.

A State plan must—

(a) Specify that the Medicaid agency will ensure necessary transportation for recipients to and from providers; and

(b) Describe the methods that the agency will use to meet this requirement.

(Sec. 1902(a)(4) of the Act)

§431.54 Exceptions to certain State plan requirements.

(a) *Statutory basis.* Section 1915(a) of the Act provides that a State shall not be deemed to be out of compliance with the requirements of sections 1902(a) (1), (10), or (23) of the Act solely because it has elected any of the exceptions set forth in paragraphs (b) and (d) through (f) of this section.

(b) *Additional services under a prepayment system.* If the Medicaid agency contracts on a prepayment basis with an organization that provides services additional to those offered under the State plan, the agency may restrict the provision of the additional services to recipients who live in the area served by the organization and wish to obtain services from it.

(c) [Reserved]

(d) *Special procedures for purchase of medical devices and laboratory and X-ray tests.* The Medicaid agency may establish special procedures for the purchase of medical devices or laboratory and X-ray tests (as defined in §440.30 of this chapter) through a competitive bidding process or otherwise, if the State assures, in the certification required under §431.51(d), and HCFA finds, as follows:

(1) Adequate services or devices are available to recipients under the special procedures.

(2) Laboratory services are furnished through laboratories that meet the following requirements:

(i) They are independent laboratories, or inpatient or outpatient hospital laboratories that provide services for individuals who are not hospital patients, or physician laboratories that process at least 100 specimens for other physicians during any calendar year.

(ii) They meet the requirements of subpart M of part 405 or part 482 of this chapter.

(iii) Laboratories that require an interstate license under 42 CFR part 74 are licensed by HCFA or receive an exemption from the licensing requirement by the College of American Pathologists. (Hospital and physician laboratories may participate in competitive bidding only with regard to services to non-hospital patients and other physicians' patients, respectively.)

(3) Any laboratory from which a State purchases services under this section has no more than 75 percent of its charges based on services to Medicare beneficiaries and Medicaid recipients.

(e) *Lock-in of recipients who over-utilize Medicaid services.* If a Medicaid agency finds that a recipient has utilized Medicaid services at a frequency or amount that is not medically necessary, as determined in accordance with utilization guidelines established by the State, the agency may restrict that recipient for a reasonable period of time to obtain Medicaid services from designated providers only. The agency may impose these restrictions only if the following conditions are met:

(1) The agency gives the recipient notice and opportunity for a hearing (in accordance with procedures established by the agency) before imposing the restrictions.

(2) The agency ensures that the recipient has reasonable access (taking into account geographic location and reasonable travel time) to Medicaid services of adequate quality.

(3) The restrictions do not apply to emergency services furnished to the recipient.

JAMES H. "JIM" BROWN
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA

P.O. Box 94214
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FAX (504) 342-3078
http://wwwldi.ldi.state.la.us

November 19, 1997

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
Office of the Legislative Auditor
State of Louisiana
1600 Third Street
Baton Rouge, Louisiana 70802

Dear Dr. Kyle:

Enclosed please find the Department's response to the finding report issued by your office.

If you need additional information, please contact me at (504) 342-5350.

Sincerely,

Brenda St. Romain

Brenda St. Romain
Assistant Commissioner
Office of Management and Finance

BSR/cb

Enclosure

JAMES H. "JIM" BROWN
COMMISSIONER OF INSURANCE
STATE OF LOUISIANA

DEPARTMENT OF INSURANCE

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Improper Earning and Using of Leave by Unclassified Employees

The Department has implemented procedures to ensure compliance with the Legislative Auditor's interpretation of applicable Executive Orders related to the earning of leave by unclassified employees and leave balances have been adjusted to the appropriate amounts.

The Department has always operated under the policy of allowing the unclassified employees the same leave status benefit as classified employees. It had been interpreted in the past administration that elected officials were exempt from the Governor's Executive Order and an informal survey of other elected officials indicated that they were also operating under that policy. It was determined at that time to not change the policy and to continue to allow the unclassified employees the same benefits as classified employees.

Brenda St. Romain

Brenda St. Romain, Assistant Commissioner
Office of Management and Finance

LOUISIANA SCHOOL FOR THE DEAF

Educational Resource Center on Deafness
2888 Brightside Lane - P.O. Box 3074 - Baton Rouge, Louisiana 70821-3074

Luther B. Prickett
Superintendent

Telephone: Voice/TDD
(504) 769-8160
Fax Number:
(504) 765-2473

April 17, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

This is a revised response, subsequent to the Audit Exit Conference, relative to Jullin Renthrope's letter dated April 4, 1997 regarding the audit finding pertaining to the Internal Controls over Meal Counts relative to the school's participation in the School Breakfast Program (SBP) and the National School Lunch Program (NSLP).

We concur in part with the finding of the Legislative Auditor and offer the following information:

The school has in place a State Department of Education approved custom designed automated meal accountability system for reporting meal counts for submission of claims for reimbursement. Scanners have been placed on each of the two serving lines and ID cards are issued to each student. Student ID cards are scanned at the point of service for each meal. The number of meals served is accumulated for each meal by classification code. The data collected is uploaded to the computer located in the Accounting Specialist's office for reconciliation and preparation of reports.

The dates selected for audit samples were during an implementation and transition period of a new custom designed automated meal accountability software program and installation of a network system. During this time we were experiencing numerous orientation problems with the software program and problems with interfacing existing equipment with the new system. We conducted intense in-service training of the staff, replaced network cabling, grounded and secured the scanners, upgraded the computer and the computer operating system, and established credibility of the new meal accountability system by running dual systems. We currently feel that the equipment and software provide a stable and reliable meal accountability system; however, our complex two line meal service with consideration given to the types of diners served which includes multihandicapped students (deaf, deaf/blind, mentally retarded, behavioral disorders, etc.) makes our meal count system and reconciliation efforts very difficult.

Our individual meal count reconciliation procedures require the Accounting Specialist to match each meal's computer count with the individual meal's plate counts. Any discrepancies

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are researched and a daily meal reconciliation report is submitted to the School Business Manager. Reconciliation procedures include verification of math computations on the daily plate count form, verifying that the dishroom plate count was correctly recorded on the daily plate count form, verifying with the supervisors that the counting procedures for the on-line serving trays were followed.

If our reconciliation efforts are unsuccessful, the lesser of the plate count or the scanned count is used to determine total meals served. To ensure that we do not over claim, we deduct the total number scanned who were non-eligible for reimbursement (103) from the lesser of the plate/scanner counts.

If there is a scanner malfunction during a meal which results in the loss of scanned data, we take the total plate count less the maximum number of students registered as non-eligible for reimbursement to determine the number of meals claimed.

Should the electronic system not be working, or should a student not have their ID badge, our back-up system is a manual check off list of all students. This information is later keyed into the computer system by the Accounting Specialist.

Additionally, the corrective action taken will be to modify the automated meal accountability software program to provide a separate meal count for each of the two serving lines which will facilitate the daily reconciliation. Also, we will monitor more closely the scanning of ID cards and the counting of the plates.

Should you need any additional information, please contact Mr. Michael J. Feduccia, School Business Manager.

Sincerely,

Luther B. Prickett

Luther B. Prickett
Superintendent

cc: Mr. Michael J. Feduccia, School Business Manager
Mrs. Sharon C. Lee, Accounting Director

SCHOOL OF
MEDICINE IN NEW ORLEANS
Louisiana State University
Medical Center
1542 Tulane Avenue
New Orleans, LA 70112-2822
Telephone: (504) 568-4006
FAX:(504) 568-4008

October 27, 1997

Office of the Dean

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor

RE: Response to audit finding: Lack of Procedures to Monitor Contract

Dear Dr. Kyle,

I concur with this finding.

SITUATION:

The transition of the practice functions to the LSU School of Medicine in New Orleans Faculty Group Practice (FGP) is a complex situation. In addition to transferring the functions the FGP is also committed to the protection of the current group of Medical Center employees who had historically performed this service within the Medical Center as the Professional Practice Association (PPA). Not only were the functions transferring to the FGP, but it was required that the affected employee group not be negatively impacted as a result of the transition of the practice functions.

Historically, the PPA had cost centers which reflected effort and expenditures as they related to specific aspects of the PPA operation. Billing and collection costs in the New Orleans were assigned to specific cost center accounts within the Medical Center. Those cost centers remain intact for the Earl K. Long (EKL) and University Medical Center (UMC) operations. As the current management team reviewed the New Orleans operation it was found that the billing and collection functions were performed in a manner which was problematic in that there existed little if any accountability for the complete process. One group of individuals would perform billing functions at MCLNO, another group supported the clinic operation at the 2020 Gravier St. location and another group of employees dealt with the follow-up and posting functions for both those operations. The results were that no specific individuals or groups were held accountable for the entire process and each blamed the other for the failure to complete the process.

A "team" organizational structure was developed whereby the "team" was charged with the entire process from input of billing to collection and any resulting follow-up as required. While it is expected that this team structure will in the long run lead to accountability and standards of performance it disturbed the traditional assignment of cost as was envisioned in the Cooperative Endeavor and Operating Agreement.

As an alternative it was proposed that the historic rate of collection cost (10.5% of gross collections) be used as a method to value the amount due the Medical Center for that which it

provided to the FGP. It was also felt that this would be a transitory method since when the remaining functions were transferred to the FGP then gross cost regardless of location would be the financial responsibility of the FGP. The October 1, 1997 Operating Agreement reflects that method and resolves that issue into the future.

CORRECTIVE MEASURES:

The revenue actually realized or accrued by the FGP for the period 3/1/97 through 6/30/97 will be placed in specific accounts set-up for that purpose. Personnel charges for relevant PPA personnel will be transferred to those accounts in order to match revenue with expense.

To reflect the amount of support the Medical Center has provided to the FGP, the value of the revenue for the period March 1, 1997 through June 30, 1997 has been accrued as of 6/30/97 and the same will be done at the next transition date of 9/30/97. These accrued amounts reflect the amount of accrued revenue the FGP has or will have at those respective points in time. Those revenues will be separately accounted for with the specific intent of compensating the Medical Center for costs realized by the Medical Center for those same two periods of time. Both entities have agreed upon the value of this accrual and have reflected that amount in their respective financial statements for the period ending June 30, 1997.

With a complete transition of the PPA functions to the FGP the situation will be far less complex. With a complete transition of function to the FGP there will be no ambiguity as to what expense correlates to what revenue. Effective 10/1/97 all expenses identified as relating to FGP functions will be charged to accounts set-up specifically to record those expenses which are the financial responsibility of the FGP. The FGP will pay the Medical Center for those expenses thereby matching revenue with expense.

The responsible parties to correct this situation are David DiLoreto, M.D., Acting Executive Director and John Caire, CPA, Chief Financial Officer of the FGP and Robert Plaisance, Associate Dean for Fiscal Affairs School of Medicine and Robert A. Bourgeois, Comptroller and Director of Accounting, LSUMC.

Please advise should additional information in this matter be required.

Respectfully,

Robert L. Marier, M.D., MHA
Dean
LSU School of Medicine N.O.

cc: Mervin L. Trail, M.D.
Ronnie Smith
David Dotter
David DiLoreto, M.D.
John Caire, CPA

SCHOOL OF MEDICINE IN NEW ORLEANS
Louisiana State University
Medical Center
1542 Tulane Avenue
New Orleans, LA 70112-2822
Telephone: (504) 568-4006
FAX:(504) 568-4008

Office of the Dean

October 27, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor

RE: Response to audit finding: Untimely Billing

Dear Dr. Kyle,

I concur with this finding. While, it may be accurate to state that there are problems in the area of inputing patient charges into the billing system, there are a number of circumstances and reasons which are beyond the control of the Professional Practice Association (PPA) which prevent or severely compromise the PPA's ability to properly peform this function.

SITUATION:

The majority of the problem noted in this finding relates to services delivered in the public hospitals (primarily MCLNO) where LSU Faculty provide the physician services. In those settings, the PPA can not rely on the patient registration systems in place at the particular hospital facility. There have been numerous unsuccessful attempts in the past to electronically link the public hospital's patient registration system to an interface with the PPA however, for a variety of reasons that has not occurred. The effect is that the PPA must provide personnel to physically replicate the patient enrollment process through a manual review of the patient records to determine what services were delivered and if any third party coverage is applicable to the patient. At MCLNO in particular the process is further complicated by the sharing of the patient population with the Tulane School of Medicine.

The PPA must manually retrieve the medical records all for services delivered by LSU faculty at the three locations involved: Earl K. Long (EKL), University Medical Center (UMC) and Medical Center of Louisiana at New Orleans (MCLNO), both Charity and University Hospitals. From that point, a determination as to what if any coverage the patient possesses must be made. This is accomplished in large part through look-ups in the DHH Welfare System. This system only permits five look-ups, then the researcher is required to exit the DHH system and log into the system again to continue seeking eligibility determination.

The patient population served by the public hospital system is largely the indigent population of the State of Louisiana. General statistics for these hospitals shows that

approximately one in three patients has some form of third party coverage, predominately Medicaid. This results in the necessity for reviewing three medical records in order to obtain one valid billable service. This is a very labor intensive process and is further complicated by the fact that LSU manages all the hospital based services at these hospitals and therefore the total volumes on those services, Anesthesiology, Pathology and Radiology. It should also be noted that the majority of the services not billed as noted in this finding were in either Pathology or Radiology at MCLNO, where charges are high in volume, but result in relatively low revenue due to low rates of reimbursement.

Another important factor relates to the different manner in which hospitals (Part A Services) are reimbursed versus how physicians (Part B Services) are reimbursed. With the changes which have occurred in Disproportionate Share and Medicaid Programs, hospitals do not have an incentive to enroll its patient population in the Medicaid program or any other reimbursement program beyond the relatively small amount required to realize their respective revenue budgets. In general, the public hospitals are compensated through either the Medicaid Vendor Payment System or the Uncompensated Care component of the Medicaid Program. Public hospitals must realize only a relatively small amount from other sources, Medicare, private third party coverage and self-payments from the patients. For fiscal year 96-97 the gross budget for the public hospital system excluding the Shreveport Hospital was approximately $753 million. Of that amount $646 million was slated to be realized from the Medicaid Program as either vendor payments or payments under the uncompensated care portion of the Medicaid Program. The result is that hospitals gets paid regardless of whether the patient is a Medicaid patient or an indigent patient. This policy does not apply to Part B payments. The result of this is that the public hospitals do not place their scare resources into patient enrollment programs which will not or can not enhance their available revenue. The effect on physician payments is that, a larger and larger portion of the patient population is classified as indigent or self-pay and compounds an already difficult process.

CORRECTIVE MEASURES:

In order to address this deficiency, the Professional Practice Association (PPA) has initiated the following:

1. Awarded through normal Medical Center channels a contract with Health Systems Management (HMS) to address the not billed for services issue as well as to aggressively work the aged accounts receivables of the PPA. To date, reports indicate that outstanding billing, primarily in Radiology and Pathology, have been significantly improved. PPA records indicate that the outstanding backlog of billings for these two services is now approximately four to six weeks. A backlog of four to six weeks represents a significant improvement over what had been a two to twelve month backlog. For the record, while a four to six week backlog represents significant improvement, the goal the PPA is striving to achieve is five (5) working days.

Page 3, letter of response audit finding, Utimely Billing

The HMS project has to date resulted in actual revenue to the Medical Center of approximately $1 million. Of the $1 million, $600,000 has been realized through management of the charges which had not been billed and $400,000 has been collected from the aged accounts receivables which were placed with HMS for collection.

2. The HMS Project should be concluded by December 31, 1997, at which point billing will be current and the accounts receivable will be adjusted to reflect a more appropriate valuation and meet the industry standard which is expressed as less than 90 days in accounts receivable.

3. More long-term measures in the form of electronic interfaces are being developed now that the public hospital system is being managed by the LSU Medical Center. Mr. David Troendle, the Medical Center's Director of Computer Services, is also providing support to the LSU Health Care Services Division. Mr. Troendle, in the process of supporting the public hospital's data processing needs, will be able to create the necessary interfaces to allow the billing service to access the hospital patient enrollment process. This project should greatly enhance the ability to provide timely billing for services rendered in the public hospitals.

3. The responsible parties for this project are David DiLoreto, M.D., Acting Executive Director and John Caire, CPA the Chief Financial Officer of the FGP.

Please advise should additional information in this matter be required.

Respectfully,

Robert L. Marier, M.D., MHA
Dean
LSU School of Medicine N.O.

cc: Mervin L. Trail, M.D.
Ronnie Smith
David Dotter
David DiLoreto, M.D.
John Caire, CPA

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Office of the Dean

October 27, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor

RE: Response to audit finding: Patient Credit Balances

Dear Dr. Kyle,

I concur with the finding as stated as there are credit balances in the aggregate amount of $816,063 as of the May 21, 1997 date.

SITUATION:

The Professional Practice Association (PPA) has undergone a change in its senior management leadership with the departure through resignation of Mr. Victor Kazim who had been the PPA Executive Director from September, 1993 through September, 1996. During his tenure as Executive Director, an accounts receivable policy had been implemented which was meant to aggressively deal with accounts which had gone uncollected for greater than 90 days. The policy was that after 90 days, an account with a balance of $50 was referred to an external collection agency. In addition, Medicare and Medicaid balances were turned over on an "early out" basis after 90 days for follow-up by collection agencies. At the point in which these accounts were referred to the collection agency, the accounts were written off as an accounts receivable in the PPA's records.

These policies had two negative impacts. The first was to send accounts to the collection agency prematurely. The second was that no reconciliation and re-establishment of the charge was made at the point in which the collection agency collected the funds and as proscribed in the collection agency's agreement with the Medical Center, remitted those funds in total to the Medical Center. The effect was twofold, the revenue was posted and there was no corresponding charge since the charge was written off when sent to the collection agency, and the Medical Center then paid the collection agency in effect for a significant number of accounts where the revenue remained unposted and is now displaying itself as a "credit balance"

CORRECTIVE MEASURES:

1. The collection policy has been altered in that accounts are no longer referred to an external collection agency except on a specific basis.

2. Current management has placed appropriate resources to aggressively address this situation. Beginning with the oldest accounts, balances have been researched and either a) refunded to the patient, b) reversed by journal entry where appropriate, or c) identified as unclaimed property to be returned to the State of Louisiana. Credit balances existed for transactions which occurred as far back as 1989. Through these efforts, only credit balances originating in 1996 and 1997 remain to be researched.

3. Management has identified a total of $224,011.65 which is in the process of being remitted to the State of Louisiana as unclaimed property.

4. Management will continue to dedicate adequate personnel resources to aggressively research the remaining credit balances. In addition, the billing system provides a daily list of credit balances which are created on that day. One employee has been assigned full-time to review and process the daily credit report.

5. The current plan of action is to be completed by January 31, 1998. On a long term basis this problem will not persist for the Medical Center as a result of the Cooperative Endeavor relationship the Medical Center has with the LSU School of Medicine in New Orleans Faculty Group Practice (FGP) and the assignment of the clinical and related support functions to that entity.

6. Plan of action to review and monitor for the remainder of the current fiscal year on a monthly basis the outstanding balance in the credit balance account to insure the validity of the current plan of action and to prevent a recurrence of the situation.

7. Management, oversight and responsibility for these functions is delegated to David DiLoreto, M.D., Acting Executive Director and John Caire, CPA, Chief Financial Officer of the FGP.

Please advise should additional information in this matter be required.

Respectfully,

Robert L. Marier, M.D., MHA
Dean
LSU School of Medicine N.O.

cc: Mervin L. Trail, M.D.
Ronnie Smith
David Dotter
David DiLoreto, M.D.
John Caire, CPA

Office of the President

McNeese State University
P.O. Box 93300
Lake Charles, Louisiana 70609-3300
(318) 475-5556

November 19, 1997

Dr. Daniel G. Kyle, Secretary
Legislative Audit Advisory Council
State of Louisiana
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

In response to the finding in the Independent Auditor's reports for McNeese State University for the years ending June 30, 1997 and 1996, I provide the following response:

> McNeese State University has submitted a corrected Civil Service Standard Form 1 to the Louisiana Department of Civil Service indicating that the post office supervisor resigned to avoid dismissal. A copy of the corrected form has been furnished to the former employee.

Moreover, internal controls at the post office were established by means of several corrective measures:

> The meter machine is no longer transported to the main post office for replenishment nor is the check given directly to the university postal workers. When the postage level in the meter machine reaches a low dollar amount, the post office supervisor notifies the McNeese accounting office. The accounting office issues a check directly to Postage by Phone, a subsidiary of the Pitney Bowes Company. The post office supervisor allows a few days for the check to arrive and then calls Postage by Phone. Postage by Phone then gives the post office supervisor a digital code (password) over the telephone to enter into the meter machine. This code allows the supervisor to enter the dollar amount of the check that was received by Postage by Phone, thus replenishing the meter machine.
>
> The postal worker was informed on how to handle spoiled meter tapes. The spoiled meter tapes are kept in the safe until Form 3533 is filled out. Once the Form is filled out and processed, the postal worker takes it to Drew Station for a no fee money order. The no fee money order is deposited at the cashier's office into the post office operating account. In addition, spoiled meter tape amounts are reimbursed to the appropriate department to whom it was charged. This reconciliation is done by post office workers with the assistance of the accounting office.

Sincerely,

Robert D. Hebert
President

pht

Medical Center of Louisiana

Charity Campus 1532 Tulane Avenue
University Campus 2021 Perdido Street
New Orleans, LA 70112

November 5, 1997

Daniel G. Kyle, Ph.D., CPA
Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Response to Audit Finding - Failure to Timely File Corrected W-2 Forms
Medical Center of Louisiana for Fiscal Year End June 30, 1997

Dear Dr. Kyle:

Management concurs that corrected W-2 forms (W2-C) and corrected Employer's Quarterly Federal Tax Returns (form 941C) were not prepared and filed timely whenever an adjustment of prior year taxes occurred.

The attached procedures for the Human Resources Division and the Payroll Audit Section of the Finance Division have been implemented to ensure that corrected W2-C and 941C forms will be prepared and filed timely in the future.

The Medical Center of Louisiana at New Orleans will work diligently to timely file all W2-C and 941C forms as adjustment of prior year taxes occur during the year.

Sincerely,

John Beraud
Chief Executive Officer, Acting

Hwjr/JB/esc

Attachment
cc: Henry Wallace, Jr.
Ron Broadus
Ken Laney
Pete Schmitt
Art Landry

PROCEDURES FOR THE TIMELY FILING OF CORRECTED
W2-C FORMS

I. HUMAN RESOURCES

It is the administrative responsibility of John Bradley of Human Resources, to ensure that the following procedures are adhered to by the Human Resources Department.

A. The following bi-weekly reports are to be reviewed and any necessary corrections and/or adjustments are to be made:

1. Social Security/Medicare Wage Exception Report (BL1464-01)
2. W-2 Exception Report (BL1570-01)
3. Consolidated Listing of Employee Adjustments (BL1705-01)

B. On a bi-weekly basis, payroll clerks are to submit copies of all transactions affecting federal and state taxes, social security (FICA) tax and Medicare to the representative (Mark Gele) to determine if a W2-C is necessary.

C. The representative, Mark Gele, should insure the following:

1. That adjustments have been made correctly by the payroll clerks.
2. If not, instructions should be given to the payroll clerk in the proper way to handle the problem.
3. If a W2-C is required, that all prior year monies have been properly adjusted in the current year.
4. That the Uniform Payroll System (UPS) has processed the data correctly by verifying the information through reports.

D. The W2 Exception and the Social Security/Medicare Wage Exception reports are to be reviewed and corrected on a bi-weekly basis. All corrections are to be completed by the end of the month.

E. All W2-C forms are to be prepared timely and copies submitted to the Payroll Audit Section of the Finance Division, Rudy King, as soon as completed. All corrections to the current year should be made timely to eliminate the need for a W2-C at the end of the calendar year.

F. A file is to be maintained for each employee with corrected W2-Cs with the corrections of the W2 Exception Reports and all computer print outs related to any adjustment or correction to be included.

G. Rudy King or the Office of State Uniform Payroll (OSUP) are to be contacted should assistance in the preparation of W2-Cs be required.

II. PAYROLL AUDIT SECTION OF THE FINANCE DIVISION

It is the administrative responsibility of Joseph LeBreton, Director of Finance, to ensure that the following procedures are adhered to by the Payroll Audit Section of the Finance Division:

A. The Quarterly Unpaid Balance Report is to be analyzed and reconciled with a list of all employees making up the balance.

B. The list of employees with W2-Cs or adjusting entries from Human Resources are to be compared bi-weekly with the Social Security/Medicare Wage Exception Report, W2 Exception Report and the Consolidated Listing of Employee Adjustments.

C. Payroll Audit is to keep track of corrections sent to Human Resources. If corrections are not made within one month, John Bradley of the Human Resources Department is to be notified.

D. Upon receipt of W2-Cs:

1. Verify data for accuracy and make sure all information is on the form.
2. Combine W2-C and prepare a W3.
3. Send the W2-Cs to Human Resources for their employee files and the Social Security Administration.

E. Amended and corrected 941s are to be processed and forwarded to the Internal Revenue Service for refund or payment.

F. Refunds are to be processed through Office of State Uniform Payroll (OSUP).

G. Assist Human Resources in the preparation of W2-Cs upon their request.

MEDICAL CENTER OF LOUISIANA AT NEW ORLEANS
LOUISIANA STATE UNIVERSITY HEALTH CARE SERVICES DIVISION

September 9, 1997

Daniel G. Kyle, Ph.D., CPA
Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Response to Audit Finding - Claims Edit Listing Verification
Medical Center of Louisiana for Fiscal Year End June 30, 1997

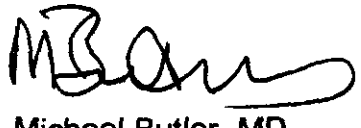
Dear Dr. Kyle:

Management concurs that the Claims Edit Listings, received from the Office of Risk Management, were not properly verified.

The following corrective action plan was implemented on July 7, 1997 to ensure that the Claims Edit Listing will be verified in the future.

> Ms. Cindy Matherne, Senior Attorney of our Contracts Management Department, will be the contact person responsible for the corrective action. She will receive the Claims Edit Listing directly from the Office of Risk Management and ensure that the listing is reviewed by the appropriate areas. She will then report any errors or omissions to the Office of Risk Management.

Sincerely,



Michael Butler, MD
Chief Operating Officer

Hwjr/MB/esc

cc: Henry Wallace, Jr.
Ken Laney
Pete Schmidt
Art Landry

MEDICAL CENTER OF LOUISIANA AT NEW ORLEANS
LOUISIANA STATE UNIVERSITY HEALTH CARE SERVICES DIVISION

September 9, 1997

Daniel G. Kyle, Ph.D., CPA
Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Response to Audit Finding - Patient Charges
Medical Center of Louisiana for Fiscal Year End June 30, 1997

Dear Dr. Kyle:

Management concurs that the procedures in place at MCLNO are not sufficient at this time to guarantee consistently accurate and timely billing. Timeliness of billing continues to be affected by several factors essential to management's effort to maximize collections and cash flow for the hospital:

1. Physician completion of all medical records.
2. Reviews of the medical records for diagnosis coding.
3. Completion of financial eligibility determinations for those patients applying for Medicaid.

Timely retrieval of medical records continues to be a problem for the Medical Center because of its size, volume of activity and complexity. The number of users and demands on medical records make it difficult for records to always be available for those requests that are essential to a timely billing process. The Hospital's goal is to establish in 1998 a system of electronic storage of medical records that will eliminate this problem by permitting simultaneous accessibility to all users, particularly those users complementing the billing process. The first phase of this process (Medical Records Signature System) will be completed by December 31, 1997. In the interim, we will have in place, effective October 1, 1997, ten (10) additional coders in the Revenue and Enhancement Department to help facilitate the timely review of the medical records for diagnosis coding.

The Hospital's goal in achieving accurate bills is a two-fold project. First, we will establish the Order Entry System. This system offers convenient order processing capabilities and minimizes the amount of time spent processing orders and requests for delivery of patient procedures/services. It eliminates the need for specialized pre-printed forms, thus reducing funds spent on printing. Automated order entry also

allows the Hospital to process charge capture from the point of delivery of service, thereby decreasing the amount of lost charges. Charges can be entered at the ancillary and at the nursing unit levels.

Second, beginning in October, 1997, the Coding and Revenue Enhancement Department will:

1. Identify problems with over/under/lost charges by departments through random account audits and report as needed to the departments and the CFO.
2. Work with departments to develop plans to improve departmental charge accuracy.
3. Monitor the Late Charge Report and report observations to department managers.
4. Monitor account transactions for obvious errors in charges on a daily basis.
5. Begin concurrent audits of accounts with charge-based payment sources.

In April of 1997, the Hospital established a plan to develop and implement procedures to provide management with assurance that all charges incurred by patients are accurate and billed timely. Mr. Henry Wallace, Jr., Chief Financial Officer, will be the contact person responsible for the corrective action plan. (We have attached for your review, the Action Plan entitled *Improvement in the Timeliness and Accuracy of Patient Billing*, which reflects our initial plan of action.)

The Medical Center of Louisiana at New Orleans is diligently working to correct the problems related to accurate and timely billing but the plan and the task to be performed will require additional time before resolution of the problem can occur.

Sincerely,

Michael Butler, MD
Chief Operating Officer

Hwjr/MB/esc

cc: Henry Wallace, Jr.
Ken Laney
Pete Schmidt
Art Landry

FINANCE DEPARTMENT

ACTION PLAN

IMPROVEMENT IN THE TIMELINESS AND ACCURACY OF PATIENT BILLING

A Multi-Disciplinary Improvement Effort
Developed by:

Henry Wallace, Jr., Chief Financial Officer
Connie Orgeron, Director Coding/Revenue Enhancement
Barbara Maher, Director, Medical Records
Philip Orgeron, Director Business Office
Bruce Haines, Director Admit/Registration
Dimitri Hall, Administrative Intern
Gregg Speyrer, Director Hospital Information Systems

Coordinator: Dimitri Hall, Administrative Intern
Chairman: Henry Wallace, Jr., Chief Financial Officer

March 31, 1997

FINANCE DEPARTMENT

TIMELINESS AND ACCURACY OF PATIENT BILLING

ACTION PLAN

I. Background

In the Legislative Audit Report of 1996, it was noted that for the ninth consecutive year the Medical Center of Louisiana had not completed the development and implementation of procedures to provide management with assurance that all charges incurred by patients were accurately and timely billed. It was noted that management had no assurance that all services performed were billed to patients or that the amounts billed accurately reflected the charges for services actually received.

A review of timeliness of billing revealed that the departments responsible for reviewing the Alpha Discharge Report (Alpha Di), for bills failing to meet criteria that fall within their realm of responsibility, had no regular system of monitoring and correcting problems on the clinical side of billing. This was primarily due to inadequate or non-dedicated staffing for this process.

A review of accuracy of billing revealed that lack of automation and reliance on various departmental staff to properly complete charge slips and to batch and submit charges to Hospital Information (HIS) created a situation where accuracy was compromised. Responsibility for the merging of both the Charity and University Hospital staff, facilities and billing systems increased the burden and responsibility of guaranteeing accuracy in this changing environment.

To accomplish the task of timely and accurate patient billing the attached Action Plan has been developed setting forth a structural strategy to promote a sound resolution to the problem.

II. Problem Statement

The Medical Center of Louisiana has not ensured that all charges incurred by patients are accurately and timely billed and cannot guarantee that all services performed are billed to patients.

III. Current Situations Impacting the Problem

A. The Medical Center of Louisiana has two separate billing systems that create a situation of duplicated effort in monitoring and evaluating the status of unbilled accounts.

B. Insufficient staff in Admissions, Billing and Coding & Revenue Enhancement has not permitted daily monitoring of the Alpha Di Report.

C. Lack of Departmental defined Alpha Di reports in each of the departments responsible for its review.

D. Insufficient staff to evaluate charts and bills and to relate discrepancies between the two to responsible department.

E. Lack of an automated order entry system to capture charges as tests and procedures are requested and completed.

F. A need to improve coordination among departments that impact accurate and timely billing (i.e., Coding, Medical Records and Billing).

G. Failure by departments to timely submit charge slips and to guarantee that all charges are submitted and submitted accurately.

IV. Goals and Objectives

A. The Medical Center of Louisiana will establish a plan and systems, both automated and manual, to assure that all charges incurred by patients are accurately and timely billed.

B. The Medical Center of Louisiana will establish a plan and automated system to assure management that all services performed are billed to patients and that the amount billed reflects the charges for services actually received.

FINANCE DIVISION

ACTION PLAN

V. TIMELINESS

OBJECTIVES/STRATEGIES	ACTION STEPS	RESPONSIBLE PARTY	TARGET DATE	STATUS	COORDINATOR
A. *REVENUE CODING AND ENHANCEMENT*					
1. Establish Reports to Track Timeliness	a. Produce HAL2 and Hal3 reports for CH and UH to daily monitor cases that have not billed , diagnosis coding, and the patients have been discharged over 15 days or more.	Connie Orgeron	4/15/97		
	b. Report on progress of Plan on 1st and 15th of each month	Connie Orgeron	on-going		
	c. Research in Medicus System all cases that A2K system classifies as incomplete relative to diagnosis but are in fact coded in Medicus.	Connie Orgeron	on-going		
	d. Identify cases on the UH Alpha Di that are not in the clinical side and provide these codes to HIS for SMS processing	Connie Orgeron	on-going		
2. Increase Staffing Resources	a. Determine tasks to be performed.	Connie Orgeron	4/15/97		
	b. Identify individual in Coding Department to daily work the Ad Hoc Report and immediately bring it to a current status and keep report clean	Connie Orgeron	4/15/97		
	c. Hire the following class of workers: Coding Section: 2 - LPN 3 1 - RN 2 5 - Health Information Outpatient Coders	Connie Orgeron Henry Wallace	6/30/97		
B. BUSINESS OFFICE					

FINANCE DIVISION

ACTION PLAN

OBJECTIVES/STRATEGIES	ACTION STEPS	RESPONSIBLE PARTY	TARGET DATE	STATUS	COORDINATOR
1. Establish Reports to Track Timeliness	a. Produce report for CH & UH to daily monitor cases referred to the Medical Assistance Program (MAP) that may be potentially screened out as ineligible. The cases displayed will represent patients who have been discharged over 15 days and still held by the MAP flag or financial class.	Phil Orgeron	4/15/97		
	b. Report on progress of Plan on 1st and 15th of each month.	Phil Orgeron	on-going		
	c. Monthly prepare and submit to Medical Records a critical list of charts to be pulled by Medical Records relating to cases that will expire during the next three months for lack of timely billing.	Phil Orgeron	on-going		
2. Increase Staffing Resources	a. Determine tasks to be performed.	Phil Orgeron	4/15/97		
	b. Designate specific individuals in the Business Office to daily work the Ad Hoc Report and immediately bring it to a current status.	Phil Orgeron	4/15/97		
C. **ADMISSIONS OFFICE**					
1. Establish Reports to Track Timeliness	a. Produce report for CH and UH to daily monitor cases needing the insurance and guarantor screen corrected or updated	Bruce Haines	4/15/97		
	b. Report on progress of Plan on 1st and 15th of each month.	Bruce Haines	on-going		
2. Increase Staffing Resources	a. Determine tasks to be performed.	Bruce Haines	4/15/97		

FINANCE DIVISION

ACTION PLAN

OBJECTIVES/STRATEGIES	ACTION STEPS	RESPONSIBLE PARTY	TARGET DATE	STATUS	COORDINATOR
	b. Designate specific individual in Admissions to daily work the Ad Hoc Report and immediately bring it to a current status.	Bruce Haines	4/15/97		
D. MEDICAL RECORDS					
1. Establish Reports to Track Timeliness	a. Daily pull 1995 and 1996 charts for patients needing diagnosis coding. 1st Priority - Medicaid, Medicare, Commercial Ins 2nd Priority - Treat & Bill and Free Care	Barbara Maher	6/30/97		
	b. Monthly pull charts for cases that will expire during the following three month period for lack of timely billing that may not have been pulled in item 1 above.	Barbara Maher	on-going		
	c. Provide Coding/Revenue Enhancement and Business Office with current "missing charts" list monthly.	Barbara Maher	on-going		
2. Staffing Resources	a. Determine tasks to be performed.	Barbara Maher	4/15/97		
	b. Designate specific individual(s) to daily work the SMS report and immediately bring SMS report to a current status.	On-going			

FINANCE DIVISION

ACTION PLAN

VI. ACCURACY

OBJECTIVES/STRATEGIES	ACTION STEPS	RESPONSIBLE PARTY	TARGET DATE	STATUS	COORDINATOR
A. Automate Charge Capture System					
1. Establish Order Entry System	**a. Purchase needed hardware**	**Gregg Speyrer**	**9/30/97**		
	b. Complete contract to initiate programming and consultation necessary to install system	**Gregg Speyrer Cynthia Matherne**	**6/30/97**		
	c. Installation of system (complete) (1 year)	**Gregg Speyrer HIS staff**	**6/30/98**		
	NOTE: *Order Entry* - **An order entry system offers convenient order processing capabilities and minimize the amount of time spent processing orders and requests for delivery of patient procedures/services. It eliminates the need for specialized pre-printed forms, thus reducing cost spent on printing. Automated Order entry also allows the hospital to process charge capture from the point of delivery of service thereby decreasing the amount of lost charges. Charges can be entered at the ancillary and at the nursing unit levels.** **In addition to the above functions, an order entry system also allows access to clinical data such as ADT, patient demographics, reporting capabilities, clinical results (pharmacy, lab, radiology, etc.). Because the order entry process is automated, procedures performed and revenue can be tracked in a more expedient manner. When a clilcal repository is part of an order entry system, clinical orders can be tracked and on-line documentation for pharmacy, retrieval of results and special procedures can be included.**				
B. Revenue Coding and Enhancement					
1. Increase Staffing Resources for Update Revenue Enhancement Section	**a. Determine task to be performed.**				

	b. Identify problems with over/under/lost charges by Department and report as needed to Department and CFO through random account audits.	Connie Orgeron	9/30/97		
	c. Work with Department to develop plans to improve departmental charge accuracy	Connie Orgeron	on-going		
	d. Monitor Late Charge Report and report to Department managers.	Connie Orgeron	on-going		
	e. Daily monitor account transactions for obvious error in charges	Connie Orgeron	on-going		
	f. Begin concurrent audit of accounts with charge-based payment sources	Connie Orgeron	on-going		

Medical Center of Louisiana

Charity Campus, 1532 Tulane Avenue
University Campus, 2021 Perdido Street
New Orleans, LA 70112

November 3, 1997

Daniel G. Kyle, Ph.D.,CPA
Legislative Auditor
1600 North Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: Response to Legislative Audit Findings for the Year Ended June 30, 1997
Medical Center of Louisiana - Failure to Adequately Maintain Control and Accountability of the *Pharmacy and Warehouse Inventories*

Dear Dr. Kyle:

Management concurs with the finding that the Medical Center of Louisiana at New Orleans (MCLNO) did not maintain complete control and accountability of the Pharmacy and Warehouse inventories. MCLNO will institute the following remedial procedures and controls:

1) At the time of this finding, the best information we had available indicated that our microwave link between the Charity and University campuses was the primary technical cause of the information system failure. Upon further investigation, we no longer suspect this is the case for the simple reason that other applications function using the microwave without significant problems. Further, the fiber optic cable between the Charity campus and the Warehouse has been certified with recently-acquired testing equipment.

   Action: On or before June 30, 1998, the microwave link between the Charity and University campuses will be replaced by redundant fiber optic cables, each cable will run at approximately 60 times the speed of the microwave. At that time, the network will be converted from a routed network to a switchboard network.

2) Research by our technical staff indicates the true cause of the information systems failure is that a copy of the database engine (Btreive) is running on each PC. That fact coupled with the number of routers in the network made record locking during updates unreliable. Also contributing to the problem is the fact that MCLNO is using an out-of-date version of the software.

   Action: On or before December 31, 1997, MCLNO will switch to version 4.1 of the ESI inventory system (the current version for the operating system in use at MCLNO). Concurrent with the implementation of version 4.1 of ESI, MCLNO will switch to the appropriate version of Btreive which utilizes a single centralized database engine. This will insure proper record locking for updates.

3) In addition to fixing the technical problems of the information systems, MCLNO has taken or will take several actions to improve operating practices. Those actions are:

- Institute security on weekends and holidays with guards stationed at Central Warehouse.
- Validate stock status reports and critical stock level reports with actual on-hand balances.
- Develop customized requisitions that reference specific bin locators and units of issue to enhance cost center manager's accuracy when ordering recurring supplies.
- Provide additional system education for Warehouse management.
- Increase cyclical inventory counts, review and test comparative inventory data and make necessary adjustments to ensure re-order systems were not compromised.
- With the installation of ESI version 4.1, initiate monthly random testing of inventory levels. Variations from levels indicated in information systems and actual stocking levels will be investigated and appropriate corrective actions will be instituted. A monthly report of exceptional conditions and remedial actions will be made to executive management.

Fred Matherne, Administrative Director of Materials Management, will be the Warehouse Inventory contact person responsible for monitoring the performance of the above stated remedial measures. Fred will also coordinate activities with Information Systems to insure technological currency. Finally, Fred will be responsible for the above stated random testing and reporting of variances.

Ed Madden, Pharm D., Director of Pharmacy, will be responsible for monitoring performance of Pharmacy Inventories.

MCLNO is committed to correcting this finding and the conditions giving rise to this finding in this fiscal year. Executive management is committed to the implementation of the above remedial action and will work diligently to insure there are no deviations from this plan.

Sincerely,

John S. Berault, MSPH
Chief Executive Officer (Acting)

JB/dgs

cc: Henry Wallace, Jr.
Art Landry
Don Elbourne
Ken Laney

State of Louisiana

M.J. "MIKE" FOSTER, JR.
GOVERNOR

JACK C. CALDWELL
SECRETARY

DEPARTMENT OF NATURAL RESOURCES

November 7, 1997

Dr. Dan Kyle, CPA, CFE
Legislative Auditor's Office
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

This is in response to the proposed reportable audit finding attached to your letter of October 24, 1997.

On July, 1996 , the employees who were responsible for processing mineral revenue classified all revenues received during the 45 day closeout period to the new accounting system, Integrated Statewide Information System (ISIS) instead of continuing to classify it in the old Financial Accountability and Control System (FACS) until the final close on August 14. This resulted in an understatement of mineral revenues for fiscal year 1996 and on overstatement in fiscal year 1997. This occurred due to confusion in migrating from one accounting system to another. In the future the accounts receivable staff will classify prior year revenue to prior year accounts during the 45 day close in the ISIS system.

Prior year revenues that have been received but not yet classified by Louisiana Mineral Income System (LOMIS) were classified based on the last 45 days of activity when allocated to individual funds. We agree that a (12) twelve month base would have been a more accurate allocation to the individual funds and will do this in the future.

The mineral revenue accrual reported on the annual financial report at August 14, 1997 included $4.3 million, in error, of revenues that had already been received and reported. This resulted in the revenue being reported twice and was due to a lack of coordination between the Accounting and Mineral Income sections of the Department. In the future, the accrual will only include estimated royalty from June gas production.

The error that resulted in $2.6 million revenue incorrectly being classified to State General Fund was discovered in October of 1996 and corrected at that time.

In the future, to avoid the problems described above, when the Annual Financial Report forms and instructions are received from the Division of Administration, the Department Fiscal Office will

OFFICE OF MANAGEMENT AND FINANCE P.O. BOX 94396 BATON ROUGE, LOUISIANA 70804-9396
AN EQUAL OPPORTUNITY EMPLOYER

hold training sessions for the staff involved in preparing the report. This training will specifically include appropriate members of the Mineral Income section. Through this process the Department will insure communication between the appropriate sections of the Department and will insure a greater understanding of the financial reporting requirements.

I hope this adequately responds to your proposed comments and stand ready to discuss the situation further if you feel it is necessary.

Sincerely,

Robert D. Harper
Undersecretary

c: Jack Caldwell, DNR Secretary

(FILE:ACCOUNT/AUDITREP)

State of Louisiana

M.J. "MIKE" FOSTER, JR.
GOVERNOR

JACK C. CALDWELL
SECRETARY

DEPARTMENT OF NATURAL RESOURCES

November 5, 1997

Dr. Dan Kyle, CPA, CFE
Legislative Auditor's Office
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

This is in response to the proposed reportable audit finding attached to your letter of October 24, 1997.

The Department of Natural Resources concurs that 1.3 million dollars in mineral income royalties have not been allocated to eligible parishes. This has averaged $72,000 in unallocated royalties per year and is the result of state lease holders not reporting royalties accurately. The Legislature did assist with this problem with the passage of Act 267 of 1993, which gave the Office of Mineral Resources authority to assess lease holders penalties for incorrect reporting. However, the penalties in this statute are very limited.

The Office of Mineral Resources, with the recent addition of staff, will allocate this 1.3 million by the close of fiscal 1998 and there will be no unallocated royalties over a year old at that time. The Department will attempt at the next regular session of the Legislature to increase the penalties for incorrect reporting of royalties in an effort to encourage proper reporting.

I hope this adequately responds to your proposed comments and stand ready to discuss the situation further if you feel it is necessary.

Sincerely,

Robert D. Harper
Undersecretary

RDH/mg

c: Jack C. Caldwell, DNR Secretary

OFFICE OF THE SECRETARY P.O. BOX 94396 BATON ROUGE, LOUISIANA 70804-9396

AN EQUAL OPPORTUNITY EMPLOYER

Northeast Louisiana University
Office of the President
Monroe, Louisiana 71209-3000
(318) 342-1010
(318) 342-1019 FAX

October 1, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor's Office
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804.9397

Dear Dr. Kyle:

We concur with your finding that the university did not have an adequate segregation of duties within the accounts payable function. We also concur that other weaknesses which increase the risk of misappropriation did exist. In response to your recommendations we have taken the following actions:

The controller now has the keys to where blank checks and signature plates are stored in his possession;

An employee independent of the accounts payable department now secures blank checks and signature plates from the controller and delivers both to computing center personnel who prepare checks after normal duty hours;

Purchasing department personnel will establish vendor data for all new vendors starting no later than December 1, 1997;

Due to the nature of our operations and because of the control procedures in place, we are unsure that manual signatures on checks over a specific dollar amount could provide additional reasonable assurance that assets are safeguarded. As stated previously the controller maintains control of the key to the cabinet where the signature plates are stored. The controller is authorized to sign checks in addition to myself and the Vice President for Business Affairs.

Cecil M. Willis, the controller, is the person responsible for assuring that the above procedures are implemented and maintained.

Thank you for your assistance in this matter.

Sincerely,

Lawson L. Swearingen, Jr.
President

cc: Mr. Robert Turner
Mike Noble, CPA
Raymond Abraham, CPA

Northeast Louisiana University
Office of the President
Monroe, Louisiana 71209-3000
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(318) 342-1019 FAX

October 23, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor's Office
State of Louisiana
P.O. Box 94397
Baton Rouge, LA 70804.9397

Dear Dr. Kyle:

We concur with the finding related to inadequate controls over athletic revenues. Our review, conducted after the Ticket and Game Manager had terminated his employment, indicated a possible lack of compliance with ticket office policies and procedures. Thereafter, we hired a new Assistant Athletic Director in the spring of 1997, and he immediately conducted a review of compliance with the system of internal control procedures within the ticket office. The results of his review supported our belief that weaknesses in the control environment were evident. He determined that noncompliance with ticket office policies and procedures had occurred primarily because control procedures had not been updated periodically. The internal auditor was asked to review the recommended changes and add additional procedures, if necessary, to ensure an improvement in the overall internal control structure. To facilitate a rewrite of the ticket office policies and procedures manual, we established the following procedures for implementation in the upcoming fiscal year:

* An accounting will be conducted for all tickets, by game. A ticket reconciliation will be prepared and any unsold tickets will be retained.

* We will prepare ticket distribution reports for games held away from NLU. We will continue to maintain detailed listings of NLU athletic staff who use tickets to those games. Those tickets, combined with the unused tickets on hand, will be reconciled to the amount withheld from the game guarantees.

* Reports will be generated after each event and reconciled to amounts deposited.

* An accounting will be maintained for all tickets, including damaged stock. Damaged stock inventory will facilitate a reconciliation of total ticket acquisitions.

* General admission roll stock will be inventoried and tickets will be identified as being sold and those used as part of the contract with corporate sponsors. All withdrawals, and any subsequent return of unsold tickets will be documented on a log and witnessed by two people. This log sheet will be periodically reconciled to stock inventory reports.

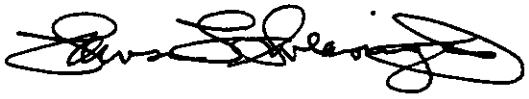
* Reports for each game will be generated and reconciled to amounts deposited in accordance with ticket office policy and procedures.

* Reconciliations will be conducted within the three days stipulated by the policy and procedures manual. Periodic reviews of reconciliations will be conducted to ensure that they continue to be prepared timely.

David R. Soignier, CPA, Business Manager for Auxiliary Enterprises and Athletics, will be responsible for assuring that policies and procedures within the ticket office are followed. Oversight responsibility for compliance with ticket office policies and procedures is the responsibility of Richard Giannini, Athletic Director.

Thank you for your assistance in this matter.

Sincerely,



Lawson L. Swearingen, Jr.
President

cc: Mr. Robert Turner
Mike Noble, CPA
Raymond Abraham, CPA

Northeast Louisiana University
Office of the President
Monroe, Louisiana 71209-3000
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September 26, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor's Office
State of Louisiana
P.O. Box 94397
Baton Rouge, LA 70804.9397

Dear Dr. Kyle:

We concur with your finding that inadequate controls were not in place to safeguard cash assets maintained at the bookstore and at the NLU Booth Store located in the local mall.

With respect to the shortage at the bookstore we have implemented the following procedures to preclude a reoccurrence:

* Changed the safe combination and limited access to the safe;

* Changed the lock in the cash office and have limited access to the key by keeping the office locked at all times when not occupied by the accounting clerk;

* Performing a cash count of the safe at least every other day with the count being witnessed by another employee;

* Requiring that the safe be locked at all times except at times of direct transfer of cash to or from cashier drawers;

After the second discovery of missing cash at the NLU Booth Store located in the local mall, we purchased a small combination safe and had it bolted to the computer stand. Since that time we have not incurred a loss at the NLU Booth Store since August of 1996.

We believe that the above procedures have been successful since there has been no reported loss cash assets since August 1996.

The Director of Auxiliary Services, Gary Huckabay, is identified as the person responsible for assuring that the above corrective procedures are maintained or strengthened, if necessary.

Thank you for your assistance in this matter.

Sincerely,

Lawson L. Swearingen, Jr.
President

cc: Mr. Robert Turner
Mike Noble, CPA
Raymond Abraham, CPA

c:\fy-97\audit\bks-cash

Northeast Louisiana University
Office of the President
Monroe, Louisiana 71209-3000
(318) 342-1010
(318) 342-1019 FAX

November 13, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor's Office
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

We concur that university management should ensure university operations are monitored more closely and expenditures controlled to avoid exceeding available revenues. We appreciate the concerns of the Legislative Auditor's Office, and wish to assure you that the university is taking positive steps to improve the monitoring of its financial position.

The following procedures are, or will be, in place for Fiscal Year 1997-98:

Operating Fund

1. Prepare budget using conservative self-generated revenue projections.
2. Prepare monthly revenue projections.
3. Prepare Quarterly Revenue Projection reports for the President.
4. Monitor major expenditures monthly:
   a. Personal services (Including Graduate Assistants, Student Labor)
   b. Scholarships
   c. Utilities
   d. Telephone
5. Prepare quarterly expenditures project reports for the President.
6. Periodically evaluate the accuracy of monthly and quarterly projections.
7. Compare prior year, monthly and year - to- date actual revenues and expenditures to the current year.
8. Establish a Budget Oversight Committee that meets on a regular basis to review projection reports and make recommendations to the President.

Auxiliary Enterprises Fund

1. Establish a committee led by the Vice President for Business Affairs to develop short-term and long-term plans.

2. Establish financial goals for each unit.
3. Develop a five - year master budget plan for all units within the Auxiliary Enterprises Fund to eliminate the deficit financial situation and establish a fund balance in excess of $1,000,000.
4. Compare prior year, monthly, and year-to-date actual revenue and expenditures to the current year.
5. Prepare monthly and quarterly projection reports for the President and the Oversight Committee.

Reserve Funds

The university will develop a five-year financial plan to restore reserve fund balances to their fiscal year 1995-96 amounts.

Robert Earl Turner, the Interim Vice-President for Business Affairs, is identified as the university representative responsible for developing and implementing corrective measures.

Thank you for your assistance in this matter.

Sincerely,

Lawson L. Swearingen, Jr.
President

cc: Mr. Robert E. Turner
Mike Noble, CPA
Raymond Abraham, CPA

c:auditof

Northeast Louisiana University
Office of the President
Monroe, Louisiana 71209-3000
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November 13, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor's Office
State of Louisiana
P.O. Box 94397
Baton Rouge, LA 70804.9397

Dear Dr. Kyle:

We partially concur with your finding related to the manner used by the University to issue complimentary sporting event tickets. We question inclusion of 22,572 complimentary tickets which were issued in accordance with the University of Louisiana System board policy.

In our quest to increase private contributions to the athletic program and to enhance attendance at all athletic events, management developed a marketing strategy which included distribution of tickets through the Northeast Louisiana University Athletic Scholarship Foundation. Through this distribution method, the remaining 33,428 tickets included in your finding were issued to the Northeast Louisiana University Booster Club and 72 corporate sponsors. Those tickets, with a face value of $181,771, provided a combined total of $420,000 in revenue to the Athletic Department from the aforementioned sources. We agree that adequate documentation relative to issuance of the remaining tickets was not provided in a timely manner. The detailed supportive documentation has been made available to the audit staff.

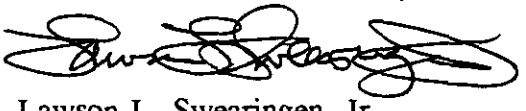
We appreciate your recommendations concerning this matter. In order to maximize accountability, control, and safeguarding of assets, we will immediately initiate the following procedure: Tickets will be sold to the Athletic Scholarship Foundation at face value and the receipt recorded as revenue in the ticket sales account for each athletic event.

An amended ticket reconciliation process for each sporting event which tracks ticket sales and compliance with board policy on issuance of complimentary sporting event tickets will be instituted. A detailed listing, by game, will be maintained to support the issuance of complimentary tickets issued to team medical personnel, athletic staff, athletes, high school coaches and recruits, elected officials and governing board members. Procedures will be in place to assure all tickets are issued in compliance with established board policy and approved ticket listing. The internal auditor will perform an evaluation of the process quarterly to assure the process is working as planned.

David R. Soignier, CPA, Business Manager for Auxiliary Enterprises and Athletics, will be responsible for enforcing the policies and procedures within the ticket office. Oversight responsibility for compliance with ticket office policies and procedures will be provided by Richard Giannini, Athletic Director.

Thank you for your assistance in this matter.

Sincerely,



Lawson L. Swearingen, Jr.
President

cc: Mr. Robert Turner
Mike Noble, CPA
Raymond Abraham, CPA

NORTHWESTERN
State University
A Member of the University of Louisiana System
Natchitoches, Louisiana 71497

Office of the President

Telephone (318) 357-6441
LINC 527-6441
Fax (318) 357-4223

May 15, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

RE: ELECTRONIC DATA PROCESSING CONTROL WEAKNESSES

Dear Dr. Kyle:

In response to the above referenced audit finding, the university submits the following:

The university concurs with the portion of the finding concerning employees having access to the system after they were terminated or transferred, or went on extended leave until their effective dates of resignation. On May 8, 1997, the university revised the NSU Fiscal Policy and Procedure Manual to require the budget unit head/supervisor to notify Business Affairs - Human Resource Section and the Computer Center Director immediately after the employee has officially advised the university that he will leave. The revised procedure also requires the budget unit head/supervisor to notify the Computer Center Director if the employee is going to be on some type of approved leave prior to the actual effective date of termination so their access will be immediately denied upon the effective date of the leave. Employees who are not terminating but will be on approved leave in excess of two weeks shall also have their access denied.

Due to current operation procedures in the Financial Aid Office, Mr. Fred Fulton, Vice President for Student Affairs, believes it is necessary for the Director of Student Financial Aid to have write access to data files even though he works directly with students; however, the university is currently reviewing operations in the Financial Aid Office to determine if the director should continue to have write access to the financial aid management system. This evaluation will be completed prior to July 1, 1997.

The university will continue to review security reports periodically to ensure that access is compatible with job responsibilities and that access is being denied promptly upon separation from the university.

Sincerely,

Randal J. Webb
President

RJW/pc

NORTHWESTERN
State University
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June 13, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

RE: SATISFACTORY ACADEMIC PROGRESS STANDARDS NOT ADEQUATELY MONITORED

Dear Dr. Kyle:

In response to the above referenced audit finding, Northwestern State University respectfully submits the following:

The University concurs in part with the reportable audit finding: Satisfactory Academic Progress Standards Are Not Adequately Monitored.

The University concurs that the Financial Aid Office failed to adequately document the application of special circumstance in determining a student is making satisfactory progress when an otherwise eligible student exceeded his or her program hours. The management decision made by the Vice President for Student Affairs was based on the interpretation by the Director of Financial Aid of the Federal Student Financial Assistance Program Regulations related to the use of professional judgment and special circumstances as applied to satisfactory academic progress. The institution believed it was within its purview to determine if special circumstances existed. Though a case-by-case review was done, the review was not adequately documented in each student's file.

The University does not concur with the opinion that all credit hours attempted should be included when determining the cumulative grade point averages for the students receiving financial aid. The University's position is based on the following:

> The length of program for the purpose of determining eligibility for financial aid includes all hours attempted, including those courses from which a student withdrew and received no grade. Academic standing within the University and/or a cumulative grade point average indicating progress toward a degree is not computed using attempted hours, but pursued hours. Hours pursued are defined in the University Catalogue as courses completed, or in which the grade of WA, WB, WC, WD, or WF

is received on a semester basis. Additionally, the catalogue states such W plus grades are not used to compute cumulative grade point averages, except for students who are on probation, and then only to determine academic status.

Prior to January 1996, the University also only included the last grade earned in the total pursued hours used to compute cumulative grade point averages. Since that time, students' cumulative grade point averages have reflected all grades earned.

The University does not believe that it should recalculate cumulative grade point averages for students who enrolled prior to January 1996, nor that it should recalculate cumulative grade point averages for students with W and W plus grades for the purpose of determining satisfactory academic progress for financial aid without further clarification from the Department of Education Regional Office of Student Financial Assistance and review by the university attorney.

The current quantitative component of satisfactory academic progress is based on number of semester hours rather than number of semesters. The published semester time limits are no longer in effect.

I have instructed the Vice President for Student Affairs to take immediate corrective action, which is outlined in the attached action plan. Additionally, I have informed the Vice President for Student Affairs that there should be strict adherence to all aspects of the University's policy related to satisfactory academic progress and federal rules and regulations governing this policy.

Sincerely,

Randall J. Webb
President

RJW/pc

Attachment

ACTION PLAN

COMPLIANCE WITH SATISFACTORY PROGRESS STANDARDS

1. Prior to August 1, 1997, the Vice President for Student Affairs will coordinate the development of a new policy on satisfactory academic progress as evidenced by a copy of the policy.

2. Prior to July 15, 1997, the Director of Financial Aid will seek clarification and written confirmation (if provided) from the Department of Education Regional Office of Student Financial Assistance as to the acceptability of the University's current qualitative measure of satisfactory progress as evidenced by notes and/or correspondence with the Regional Office.

3. Prior to July 15, 1997, the Director of Financial Aid will seek clarification and written confirmation (if possible) from the Department of Education Regional Office of Student Financial Assistance as to the acceptability of the University's current quantitative measure of satisfactory academic progress as evidenced by notes and/or correspondence with the Regional Office.

4. Prior to July 15, 1997, the Director of Financial Aid will seek clarification and written confirmation (if possible) from the Department of Education Regional Office of Student Financial Assistance as to the acceptable application of professional judgment in considering the application of the criteria of special circumstances to otherwise eligible students who failed to make satisfactory academic progress as evidenced by notes and/or correspondence with the Regional Office.

5. Prior to August 1, 1997, the Dean of Graduate Studies and Research, with appropriate Computer Center staff, will review the computer determination program to ensure that satisfactory progress measures are accurately reported to the Financial Aid Office.

6. Prior to August 15, 1997, the Director of Financial Aid will conduct appropriate staff in-service to ensure all financial aid counselors are knowledgeable of the new Satisfactory Academic Progress Policy and the use of professional judgment related to academic progress as evidenced by memorandum, agenda and notes.

7. Prior to March 1, 1998, the Internal Auditor will conduct an audit to determine if the Satisfactory Academic Policy has been implemented as evidenced by an Internal Audit Report.

NORTHWESTERN
State University
A Member of the University of Louisiana System
Natchitoches, Louisiana 71497

Office of the President

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July 11, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

RE: STUDENT FINANCIAL AID DEFICIENCIES

Dear Dr. Kyle:

In response to the above referenced audit finding, the university concurs with the finding and submits the following:

- The university did not perform the required entrance counseling for 10 first-time borrowers tested.

  Response: Entrance interview forms could not be located for these first-time borrowers sampled. The Student Financial Aid Office is reviewing its procedure to ensure that all first-time students receive the required entrance interview and that these forms are filed in the students' folders.

- The university did not perform the required exit counseling for 4 students in the sample tested.

  Response: Documentation cannot be located for the students showing that they received their exit interviews upon resignation from the university. Students who come to the Student Financial Aid Office with resignation forms are given the exit interview at that time. The four students who did not have documentation have been mailed exit interview packets through registered mail. In the future, all students who are reported on our automated resignation report will be checked to determine if exit interviews have been conducted. If the exit interview flag is not set to "Y", an exit packet will be mailed to these students. This duty will be performed by the financial aid counselor who completes refund calculations.

- A student, that was a full-time employee in the Student Financial Aid Office, was overawarded $588 of FFEL funds in excess of financial need. Supporting documentation for budget increase was not documented in student's folder.

  Response: The overaward of $588 was caused by the addition of a faculty/staff exemption that was applied to the student's account after disbursement of the loan proceeds. Repayment to the lender is not required if the loan proceeds have been disbursed in full prior to the overaward. The university has decreased university aid to eliminate the overaward and the student must repay the university for the overaward. To ensure in the future that overawards do not occur, the Student Financial Aid Office will review the overaward function on the award screen to determine if any students have received aid in excess of their budget. To ensure that documentation on all professional judgments are filed in the student's folder, the Student Financial Aid Office has developed a review process for all professional judgment. All professional judgment changes that are processed must be reviewed by at least two financial aid professionals to ensure that all documentation is received and filed in the student's folder. A log will be kept for all professional judgment showing judgment that has occurred and that it has been reviewed by another financial aid professional for correct documentation.

Additional control weaknesses and noncompliance issues in the current year:

- The Student Financial Aid Director was unable to locate one student's financial aid file. The central processor selected this student's application to be verified.

  Response: The Student Financial Aid Office cannot locate the file in question. The student's verification was completed as indicated by codes that are applied to the verification section on our Financial Aid Management System. The "verification completed" flag was set on August 12, 1996, to indicate that the verification had been completed and indicated on the Financial Aid Management System. Verification on all students who are chosen by the processor are done prior to processing of loans and disbursing of loan checks. We feel the folder has been misfiled and we are still in the process of trying to locate the student's folder.

- The financial aid director was unable to provide loan disbursement sheets for 4 of the recipients tested.

  Response: The Student Financial Aid Office is reviewing its procedure for loan disbursement to determine the reason why loan disbursement sheets are not always filed in the student's folder. The weakness will be determined and corrected.

- Financial assistance of $438,134 provided to students and reported to various departments at the university was not communicated to the Student Financial Aid Office so it could be included when determining eligibility for other aid.

  Response: The Student Financial Aid Office is reviewing the departments that issued the aid

and has requested that all departments communicate those awards to the Student Financial Aid Office. We are also considering the transfer of these accounts to the control of the scholarship coordinator and will evaluate the need for additional personnel to handle these additional duties and accounts.

- There is no independent review of student financial aid packages or refunds and reimbursement calculations that are prepared by the financial aid director.

  Response: As of July 1, 1997, the financial aid director is no longer packaging student aid and does not have access to awarding or decreasing student awards on the Financial Aid Management System. The duties of refund and reimbursement calculations are now done by a financial aid counselor. The director now only supervises and reviews packaging that is done by the automated system and by financial aid staff and manages the operation of the Student Financial Aid Office.

Northwestern is currently reviewing the policies and procedures of the Student Financial Aid Office to determine if changes are needed. This process is being completed by the Director of Enrollment Services under the direction of the Vice President for Student Affairs.

Sincerely,

Randall J. Webb
President

RJW/pc

NORTHWESTERN
State University
A Member of the University of Louisiana System
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August 29, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

RE: WEAKNESSES IN CONTROLS OVER SCHOLARSHIP AWARDS

Dear Dr. Kyle:

In response to the above referenced audit finding, the university concurs with the finding and submits the following:

- The university did not formally adopt the specific guidelines of the Louisiana Tuition Assistance Plan and the Louisiana Honors Scholarship Program.

  Response: The university implemented a policy that includes the Louisiana Tuition Assistance Plan and the Louisiana Honors Scholarship Program on July 1, 1997.

- The university did not have scholarship applications or current award letters on file for 4, or 16.6%, of the 24 recipients tested. The four scholarships were awarded for the debate team and the university newspaper.

  Response: Effective for the 1997-98 fiscal year, students who receive scholarships not awarded by the Office of Admissions and Recruiting (e.g., debate) shall have an award letter on file with the Office of Scholarships before disbursement of the award. Applications and supporting documentation shall be kept on file in the respective department. On June 23, 1997, the Coordinator of University Scholarships distributed a memorandum to advisors of all student groups (e.g., Current Sauce) who currently issue scholarships. This memorandum outlines the specific responsibilities for the organization and for the Office of Scholarships.

- Three, or 12.5%, of the 24 recipients' files did not indicate that they met the requirements necessary to receive the debate team or NSU scholarship.

  Response: Effective for the 1997-98 fiscal year, students who receive scholarships not awarded by the Office of Admissions and Recruiting (e.g., debate) shall have an award letter on file with the Office of Scholarships before disbursement of the award. Applications and supporting documentation shall be kept on file in the respective department. The university

has established policies that will ensure all students awarded scholarships meet the established criteria.

- There is no reconciliation of financial awards reported in the financial aid subsidiary records to the general ledger accounts. The university does not coordinate all scholarships and fee exemption/waiver awards through the financial aid office. The university provided a list of 11 such awards totaling $438,134.

  Response: The university is evaluating methods of reconciling the financial aid subsidiary records to the general ledger accounts.

- The university awarded 3 students Football Scholarships totaling $7,057 that were not athletes.

  Response: The university had already taken action to resolve this matter before the audit finding. The athletic department has eliminated all scholarships other than those awarded to athletes and former athletes who qualify for fifth-year aid under NCAA guidelines. Those scholarships to be awarded in 1997-98 were submitted to the Coordinator of University Scholarships on May 6, 1997, and the list has been submitted to the University of Louisiana System Office for approval. On June 10, 1997, the Associate Athletic Director sent a memorandum to all coaches reminding them that student workers will be on work study and not scholarships.

- The university awarded 253 out-of-state Tuition Performance Waivers totaling $301,624 without obtaining the required approval from the University of Louisiana System office. Furthermore, there is no documentation in the files that indicate if the students granted these waivers met the established criteria.

  Response: A list of those students who received the out-of-state Tuition Performance Waivers for the 1996-97 fiscal year was submitted by the Coordinator of University Scholarships to me on June 23, 1997. I then forwarded this list to the University of Louisiana System Office for approval. The initial Summer 1997 list was also forwarded on that date. Effective for the 1997-98 academic year, the respective performing group shall keep on file documentation indicating qualifications for these awards. Approval from the University of Louisiana System Office was granted on July 3, 1997.

- The university awarded 383 out-of-state Academic and Performance Waivers totaling $456,638 as of April 30, 1997, that were not reported each semester, including the summer sessions, to the Board through the System office as required by board policy.

  Response: A list of those students who received the out-of-state tuition Academic and Performance Waivers for the 1996-97 fiscal year was submitted by the Coordinator of University Scholarships to me on June 23, 1997. I then forwarded this list to the University of Louisiana System Office for approval. The initial Summer 1997 list was also forwarded

on that date. Approval from the University of Louisiana System Office was granted on July 3, 1997.

- The university does not have adequate controls in place to ensure that National Guard Exemptions are accurately posted to student records. Two, or 40%, of the 5 students tested were each charged $60 more than the amount authorized.

  Response: The university currently has two schedules for this exemption. One is for Natchitoches campus students and the second is for "Other" campus students. Students may change their classes after the posting of the exemption without notifying the Office of Scholarships. Currently, the Office of Scholarships only runs a report to check exemption amount against hours and campus site once during the semester. After further research, it was found that these two students were on this report and their records had not been corrected. The Office of Scholarships will now run more than one report each semester to verify exemption amount against hours and campus site.

Sincerely,

Randall J. Webb
President

RJW/pc

The Board of Commissioners

OF THE

Orleans Levee District

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New Orleans, La.

70126-8006

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PROTECTING YOU AND YOUR FAMILY

September 22, 1997

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
State of Louisiana
Office of Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

BY HAND ONLY

RE: Professional Services Contracts

Dear Dr. Kyle:

This is in response the request made during the exit conference for an official response to the enclosed *reportable audit finding for the Orleans Levee District (OLD), regarding professional services contracts.*

MANAGEMENT RESPONSE:

1. We do not concur with this finding.

Lease Negotiation

The auditor does not identify either a weakness in the internal control structure or an instance of material noncompliance with laws and regulations. Both internal and outside legal counsel advised the District that failure to pay the consultant for these services would constitute a breach of contract.

A study of the facts surrounding this payment discloses that the District acted properly in the circumstances. On September 29, 1994, the Board approved an "Irrevocable Option to Lease" with the Belle of Orleans, LLC. The consultant negotiated this agreement on behalf of the parties at no net cost to the District. At the start of negotiations, Belle of Orleans, LLC placed on deposit with the District the sum of $250,000 to be used to defray the District's costs in completing the lease agreement. A portion of these funds, which otherwise would have been returned to Belle of Orleans, LLC, were used to pay the consultant.

At that time, the only guidelines governing consulting engagements with the District existed in Louisiana Revised Statutes, Title 38, and in the Louisiana Civil Code. Under

these statutes, the consultant clearly had a valid contract with the District. There was no legal or procedural requirement at the time that such a contract be written. It is a fact that the consultant's efforts were of benefit to the District during the lease negotiations. It is clear from a review of the Board's actions in 1994 that the Board and Belle of Orleans, LLC consented to the engagement of the consultant. Therefore, failure to compensate the consultant would have constituted breach of contract.

The District has procedures in place that insure preparation of written contracts for professional services and the approval by Civil Service in appropriate circumstances.

2. We do not concur with these findings.

A. ***Computer Consultant $375,000***

The District's final settlement with this consultant required payment of $375,000. The President approved this settlement based on the advice of legal counsel, in accordance with his powers as chief executive of the agency. The President subsequently notified the Board, which ratified the payment although it was not required to do so. This finding does not describe a weakness in our internal control structure, nor does it describe noncompliance with State laws or regulations.

B. ***Term of Computer Consulting Contract***

The auditor cites LSA-R.S. 42:3 to argue that the prior Board acted improperly in signing a long-term contract with a computer consultant that extended beyond the terms of the Board members. This statute does not prohibit such contracts, but merely limits the term of office of employees or officials elected by a Board to the term of the majority of the Board members. The auditor further cites Attorney General Opinion 92-52, which does not carry the force of law or regulation, in an attempt to further support his argument. Further, this opinion does not indicate that the intent of the Legislature was a prohibition on long-term contracts with consultants, but suggests only that a new board should have the opportunity to elect its own officers and employees.

The contract at issue was for the implementation of a comprehensive, sophisticated computer system, a project which could not reasonably have been completed during the term of the prior board. We believe that the auditor's

conclusion that no Board in the State of Louisiana can contract for a long-term project with a consultant is erroneous.

C. ***Computer Consultant Termination Clause***

As discussed in item B. above, this contract was for the implementation of an extremely complex computer system to handle the flood control and operational needs of the District. It is neither reasonable nor practical to engage a consultant to conduct a project such as this, and expect the consultant to agree to a no-cause termination clause. We are aware of no law or regulation that requires such a clause.

D. ***Airport Consultant $58,000***

The President approved this settlement based on the advice of legal counsel, in accordance with his powers as chief executive of the agency. The President subsequently notified the Board, which ratified the payment although it was not required to do so. The payment to the consultant represented payment for services identified as rendered and equitably due the consultant under the terms of his contract. This finding does not describe a weakness in our internal control structure, nor does it describe noncompliance with State laws or regulations.

F. ***Public Relations Consultant $8,390***

The President approved this settlement based on the advice of legal counsel, in accordance with his powers as chief executive of the agency. The President subsequently notified the Board, which ratified the payment although it was not required to do so. The payment to the consultant represented payment for services identified as rendered and equitably due the consultant under the terms of his contract. This finding does not describe a weakness in our internal control structure, nor does it describe noncompliance with State laws or regulations. Further, the reported amount is clearly immaterial with respect to the General Fund of the District.

3. ***Civil Service Approval***

We do not concur with this finding.

The auditor alleges that the District failed to have two professional service contracts approved by the Department of Civil Service prior to their effective dates, but fails to

consider both Civil Service rules and the facts surrounding these engagements. Civil Service Circular No. 769 contains Exception No. 10, which excludes services "needed during a crisis situation" from the pre-approval requirement.

In the case of these agreements, the facts and the legal actions taken by the President clearly support the exclusion of these contracts under Exception No. 10 of Circular No. 769. During 1996, the District terminated its prior computer consultant, who then claimed in court and in the media that the District's flood control and operational abilities would be crippled during the coming hurricane season. In fact, the District's small internal computer staff could not access critical systems designed by the former consultant, and the District immediately required a computer firm with the expertise to correct this potentially dangerous situation.

The District engaged a consulting firm under Exception No. 10 of Circular No. 769, and thereafter obtained Civil Service approval. On September 19, 1996, the President of the Board again confirmed the emergency circumstances with respect to the District's computer systems, saying, "Clearly, these are exigent circumstances involving the viability of the agency."

4. We do not concur with this finding.

A. ***Signed Contract for Computer Consultant***

The Board's original agreement with its current computer consultant began in July of 1996 and expired in October of 1996. On October 16, 1996, the Board passed Resolution No. 7-101696, which authorized extension of the consulting agreement then in force until December 30, 1996. The District subsequently signed a new contract with the consultant on December 30, 1996.

During the period from October to December, 1996, the original contract governed this consulting agreement, and the consultant continued to perform under those terms. At no time was the District exposed to any risk of loss or liability to the consultant. This comment identifies neither a weakness in internal controls nor material noncompliance with the Board's policies and procedures.

The District has procedures in place that insure the preparation of written contracts for professional services.

B. ***Psychological Exam Program***

The District's Police Department requires personality testing for all new applicants. The District has utilized the same vendor for several years, and issues an annual purchase order to support this expenditure. The District issued purchase orders to this vendor for fiscal years 1996 and 1998, but did not issue a purchase order for fiscal year 1997.

The auditor fails to place this finding in proper perspective with respect to the operations of the District. The auditor does not allege that the District did not receive adequate value for the $3,375 expended for psychological testing. The District expends approximately $19 million per year for the protection of the citizens of New Orleans. These psychological testing services for our police officers represent less than .017 percent of the District's total operating expenditures, and are clearly immaterial and inconsequential to the District's operations and financial condition.

The District has procedures in place that insure preparation of written contracts for professional services.

5. ***At Will Cancellation Clauses***

We do not concur with these findings.

A. Computer contract. The District signed a contract with a nonprofit agency for the development of an Internet site containing information on flood protection projects. The contract called for a final product to be delivered to the District at a price of $20,000, and was for a one-year period. Accordingly, the contract contained no "at will" cancellation clause. The District made no payments to the nonprofit organization until the design of the site was completed.

State laws and regulations contain no requirement for an "at will" termination clause in contracts for personal services. We believe that the lack of this clause in a short term, deliverable product contract, is at worst an immaterial instance of noncompliance with an internal policy.

The District has procedures in place that insure inclusion of an "at will"

termination clause in all contracts for professional services.

B. Real estate consultant. The District signed a contract with a real estate firm for assistance with several projects, including marketing idle property owned by the District. The contract contains no "at will" cancellation clause, but is for a fixed term of three years.

State laws and regulations contain no requirement for an "at will" termination clause in contracts for personal services. The Board's internal policy which contains this requirement is under revision, and we believe that the lack of an "at will" cancellation clause in a contract of this type, which is clearly for a fixed term, is at worst an immaterial instance of noncompliance.

The District currently has procedures in place that insure inclusion of an "at will" termination clause in all contracts for professional services.

C. Promotion committee. The District engaged two professionals to assist in interviewing candidates for a ranking position in the Orleans Levee District Police Department. Each consultant received approximately $900 for his services. These two payments, totaling $1,755, were not specifically authorized by the Board.

The lack of Board approval for two payments totaling $1,775 is at worst an immaterial instance of noncompliance with an internal policy. Further, the reported amount is clearly immaterial with respect to the General Fund of the District.

The District currently has in place, procedures that insure Board approval for all professional services.

OBSERVATIONS ON AUDIT FINDINGS

The Orleans Levee District believes that the professional services findings represent a small number relative to the professional services population and an insignificant and immaterial amount in relation to the District's total operating expenditures. In fact, the vast majority of

transactions were made in accordance with policy and procedure. The awarding of contracts was made with full knowledge and intent of the Board and payments thereon were made only for valid contractual obligations. Additionally, none of the findings noted were of such a nature to support the statement that the District did not maintain adequate internal controls over the disbursement of public funds for professional services.

Further, what is not acknowledged in this report is that certain failures to conform to the District's own procedures were precipitated by a restrictive policy governing professional services. The Board is in the process of reviewing and adopting a revised professional services policy which should eliminate many of these findings but at the same time, will be more inclusive and flexible.

The Internal Auditor's Report dated May 23, 1997, on Professional Services Contracts for the eight months ended February 28, 1997 states, "I did note substantial improvement in contracts initiated subsequent to Board Resolution 16-032096, adopted in March, 1996. Further, the Acting Managing Director issued a memorandum dated March 27, 1997, in which he assigned oversight of compliance with the District's policies and procedures and State regulations pertaining to disbursements for professional service contracts to the Accounts Payable Supervisor. At the date of my report the District has developed and is utilizing a professional service contract checklist to insure compliance with the District's policies and State regulations."

Sincerely,

Max L. Hearn
Acting OLB Director

MLH/MEH/asj

xc: The Honorable James P. Huey, President
Mary E. Herbert, CPA, CGFM, Comptroller
Lynn W. Marler, CPA, Audit Manager
Office of Legislative Auditor

The Board of Commissioners

OF THE

Orleans Levee District

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PROTECTING YOU
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September 19, 1997

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
State of Louisiana
Office of Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

BY HAND ONLY

RE: Reportable Audit Finding of September 10, 1997

Dear Dr. Kyle:

In response to your letter of September 10, 1997, on the above referenced matter, the Orleans Levee District does not believe that the subject of this finding is proper for a "reportable audit finding".

SAS 60 defines reportable conditions as:

> ...matters coming to the auditor's attention that, in his judgement, should be reported to the audit committee because they represent significant deficiencies in the design or operation of internal control, which could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

The Orleans Levee District does not believe the auditor's comments meet the Auditing Standards Board's criteria for a reportable condition. Furthermore, this "reportable audit finding" represents an allegation against a third party, not the Orleans Levee District. Therefore, it cannot be construed as material noncompliance with state laws or District policies by the agency being audited. Additionally, this finding has nothing to do with internal controls at the District and therefore, cannot represent a material weakness in the design or operation of the internal control structure.

Daniel G. Kyle, Ph.D., CPA, CFE
September 19 1997
RE: Reportable Audit Finding of
September 10, 1997
page 2

Additionally, and after reviewing this matter with legal counsel, the undersigned has been advised that discussion of the merits or issues involved with any of the information requested by your Office would constitute a violation of La. R. S. 42:1141 (E) (12) and (13). Accordingly, and at this time, any representative of the Orleans Levee District is legally prohibited from responding further on this subject. Once any legal impediment is removed, further response will be immediately provided to your office as requested in your letter.

Accordingly, this "reportable audit finding" should be removed.

Sincerely,

James P. Huey
President

JPH/meh

xc: Max L. Hearn, Acting OLD Director
Gary G. Benoit, Senior Counsel
Mary E. Herbert, CPA, CGFM, Comptroller
Lynn W. Marler, CPA, Audit Manager
Office of Legislative Auditor

M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

September 17, 1997

LOUISIANA
Department of HEALTH and HOSPITALS
Bobby P. Jindal
SECRETARY

Dr. Dan Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

This is the Office of Public Health's (OPH) response to the finding Reconciliation of Food Instruments Not Performed within 150 Days.

I concur. To resolve this finding, a new report has been developed to identify drafts that are unreconciled. A new procedure, based on this report, has been implemented. Sites that are unable to upload the data are required to pull draft duplicates and send them to the Office of Public Health Central Office. The pertinent information is extracted and key-entered and uploaded from the Central Office.

Since this new procedure has been implemented, significant progress has been made. The number of drafts unreconciled has declined from 3,771 to 800. During this period, slightly over 4.9 million drafts were redeemed. While the United States Department of Agriculture requires 100 % reconciliation, they have the authority to waive up to one per cent of the unreconciled drafts. We are awaiting a decision by the USDA regarding a waiver. OPH will continue to work diligently to resolve this finding.

The contact person responsible for this finding is Henry M. Klimek, WIC Manager. He may be reached at (504) 568-5065.

Sincerely,

Joseph D. Kimbrell
Deputy Assistant Secretary

JDK:HMK:hmk

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M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

September 17, 1997

Bobby P. Jindal
SECRETARY

Dr. Dan Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

This is the Office of Public Health's (OPH) response to the finding Untimely Billing of Infant Formula Rebates.

I concur. New software has been developed and new procedures have been implemented to ensure timely billing. As noted in the Audit Finding, OPH began billing for the partial packages in August, 1997. We are now current in our billings for the partial food packages. This is achieved by the bank pulling all partial package drafts after they have been redeemed. The drafts are sent to OPH Central Office. The number of cans of formula on each draft are tabulated and submitted to Fiscal Services for billing. This process is completed within 30 days after the month.

The contact person responsible for this finding is Henry M. Klimek, WIC Manager. He may be reached at (504) 568-5065.

Sincerely,

Joseph D. Kimbrell
Deputy Assistant Secretary

JDK:HMK:hmk

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DEPARTMENT OF
PUBLIC SAFETY AND CORRECTIONS

M. J. "MIKE" FOSTER, JR., GOVERNOR

RICHARD L. STALDER, SECRETARY

December 18, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

Re: Accumulation of Compensatory Leave

Dear Dr. Kyle:

The department acknowledges that your office believes Department Regulation Number A-02-002, *Administrative, Human Resource Management, Pay Administration and Management*, dated 25 July, 1996, is inconsistent with Civil Service's definition regarding the accumulation of 45 working days of compensatory leave. As noted, the department regulation defines the equivalent of 45 working days as 360, 450, or 540 hours depending on whether the employee normally works an 8, 10, or 12 hour day. The department regulation was based on the previous version of Civil Service Rule 11.29, which did include the provision to carry forward 45 working days, *or equivalent thereof*, into the next calendar year. This interpretation is consistent with other Civil Service rules involving provisions of the Fair Labor Standards Act. These provisions allow for the number of hours in a work period to be based on the job type and work schedule of the employee.

As discussed with your staff, there are inconsistencies between the Civil Service Rule and the Civil Service Manual regarding the application of this particular rule. In order to resolve this situation, the department raised this issue at the Civil Service Commission Meeting held on December 3, 1997. At the meeting, the Commission directed the Civil Service Director and his staff to review this information and determine whether any rule changes are required.

In terms of improving internal control by monitoring the amount of compensatory time earned and accumulated by employees, the department will continue to periodically generate and disseminate reports which will allow the units to better monitor and manage the compensatory leave balances.

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(504) 342-6934

The department will reinforce the need for improvement in this area. While there are several instances where employees have accumulated hours in excess of the department regulation, these are not wide-spread and were generally accumulated due to job specific or institutional demands such as emergency responses, harvesting of crops, etc. The department will await the decision of Civil Service, however, before taking any action in regards to its leave accumulation policy.

Sincerely,

Bernard E. "Trey" Boudreaux, III
Undersecretary

BEB/RLG/ss

c: Richard L. Stalder, Secretary
Ronald Granier, Chief Fiscal Officer
Zbigniew Cypel, Human Resource Director

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DEPARTMENT OF
PUBLIC SAFETY AND CORRECTIONS

M. J. "MIKE" FOSTER, JR., GOVERNOR

RICHARD L. STALDER, SECRETARY

August 29,1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Re: Wardens Residence

Dear Dr. Kyle:

In reference to your repeat finding regarding the wardens of Louisiana State Penitentiary (LSP) Dixon Correctional Institute (DCI) not residing on prison grounds, the following information is provided. Warden Cain continues to utilize the warden's residence at DCI because the warden's residence at Louisiana State Penitentiary (LSP) is in a serious state of disrepair and is uninhabitable in its current state. If Warden Cain were to utilize another residence at LSP, it would displace another employee. This would not be in the best interest of the department due to the recruiting and retention problems with personnel at LSP, particularly in the medical services area.

The limited amount of state-owned housing at DCI does not allow for housing assignments for senior level security staff to be on the grounds. Warden Cain's residing at DCI helps to alleviate this problem by being available for call to assist Warden LeBlanc in addressing potential security problems at DCI. This benefit far out weights additional commuting costs that may incurred.

Additionally, the current warden at DCI, James M. LeBlanc, has a personal residence within approximately seven miles of the institution. This distance is not significantly greater than the state housing for the institution, which is approximately five miles from the prison grounds. Because of this, Warden LeBlanc's ability to respond to emergencies is not impaired and no significant additional commuting costs are incurred by his utilizing his private residence.

Another factor is that Warden LeBlanc is currently detailed to the position at DCI while Secretary Stalder is in the Executive Loan Program. It would also be unfair to force him to vacate his personal residence in order to live in state housing that is not significantly closer than his personal residence while he is on detail and not permanently assigned. Issues of compensation are governed by Civil Service.

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For these reasons the department is meeting its needs in terms of on-site availability of management personnel at these two facilities. The current allocation of housing is efficiently addressing the broad spectrum of executive, security, medical, and maintenance staffing requirements.

Sincerely,

Bernard E. "Trey" Boudreaux, III
Undersecretary

BEB/

c: Richard L. Stalder, Secretary
Johnny Creed, Assistant Secretary/OAS
Ron Granier, Chief Fiscal Officer

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AN EQUAL OPPORTUNITY EMPLOYER

Department of Public Safety and Corrections

Public Safety Services

M. J. "MIKE" FOSTER, JR.
GOVERNOR

THOMAS H. NORMILE
UNDERSECRETARY

November 10, 1997
DPSS-02-0430

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The Department of Public Safety and Corrections, Public Safety Services response to the audit findings is as follows:

Insufficient Controls Over Returned Checks:

The Department was successful in introducing and passing a Bill in the 1997 Session of the Legislature that would allow for the cancellation of an individual's driving and vehicle registration records in the event of an NSF check. This Bill became Act number 1455 of 1997. Once the individual is notified of an NSF check and has not responded within 30 days, their records will be canceled and flagged. Along with the normal NSF check fee that is charged, an additional sixty dollars will be charged for reinstatement. David Viccellio and his staff are working to have these changes implemented.

Procedures have been changed for title companies. All of them are now required to post a bond with the Department. These companies are also put on a certified funds list until their NSF checks are paid.

Procedures will be implemented so that copies of the document submitted to the Department of Revenue will be kept.

If any further information is needed, please contact me at 925-6032.

Sincerely,

Thomas H. Normile
Undersecretary

THN/ljc

cc: David Viccellio

OFFICE OF MANAGEMENT & FINANCE, P.O. BOX 66614, BATON ROUGE, LOUISIANA 70896
(504) 925-6032

STATE OF LOUISIANA
DEPARTMENT OF REVENUE AND TAXATION

M. J. "MIKE" FOSTER, JR.
GOVERNOR

JOHN NEELY KENNEDY
SECRETARY

September 17, 1997

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
Office of Legislative Auditor
Post Office Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

Your audit finding entitled "Failure to Properly Reconcile Protested Taxes" has been reviewed. The Department of Revenue has established internal control procedures for handling and reconciling the Protested Taxes--Escrow Account. Action continues to be taken by the Department to strengthen its control procedures, as you recommended.

We have expanded our procedures to ensure that periodic reconciliation of the manual escrow fund records to the computer system records is completed. Policies and procedures have been reviewed and updated or written to address the duties and responsibilities of persons involved in the processes that affect the escrow fund. We are continuing to review policies and procedures to make further improvements and address issues that our periodic reconciliations have brought to our attention. Other improvements in the system of accounting for escrow funds will be included in our current computer system redesign project.

Due to our additional emphasis on periodic reconciliations, the escrow fund balances as of June 30 were reconciled promptly. We are confident that the amount reported in the Department's financial statements and reviewed by your staff is accurate and reliable.

Sincerely,

John Neely Kennedy
Secretary

JNK/js

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State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF RISK MANAGEMENT

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

October 17, 1997

TO: Daniel G. Kyle, Ph.D., CPA
Office of the Legislative Auditor

FROM: Seth E. Keener, Jr.
State Risk Director

RE: ORM Audit Finding FY 97

Finding: Internal Control Deficiencies Related to Claims Payments

The Office of Risk Management concurs with the individual finding and recommendation.

Corrective Action:

- The two employees who have EDP access that allows writing recurring checks with no dollar limit do not write checks. Due to an oversight, the hard edit was not placed on their user id. However, the mere fact that they issued a check, if that ever happened, should cause further investigation to occur. A hard edit has now been placed for these two employees making it impossible for them to issue a check for any amount.

- We are currently in the process of updating security documentation and reports. We have been working for several months on a review of security and obtaining satisfactory security reports from Corporate Systems. The employee handling security issues received an updated security report showing all users on October 3, 1997. While this revised report meets most of our needs concerning the documentation necessary to review users' access, we are continuing to strive toward getting a report that is both comprehensive and easily read. To that end, we have scheduled a meeting with our Corporate Systems representative for November 12-13. Elaine Raiford and Janette Chriss are the employees responsible for this corrective action.

- The use of an improper data field for reserve input on two claims out of

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approximately 15,000 was due to typographical error. We had previously requested that the field which was used be blocked and were under the assumption that it had been done. We again requested that it be done and have verified that it was.

- While it is true that ORM policy states that users making adjustments to reserves enter their initials, it is not impossible to determine who increased payment reserves. The daily activity reports record the user id under which each transaction was made. Therefore, each transaction can be traced back to the individual responsible.

  ORM instituted the policy of entry of initials when making reserve changes strictly for the purpose of making it easier for anyone looking at a claim to know who made the change in reserves. While violation of this policy is not a major security issue, but rather causes the subsequent inconvenience of having to use the daily activity reports to determine who adjusted reserves in the event any question arises, adjusters will again be advised of the policy and we will investigate the possibility of some type of report to be run on a regular basis to ensure compliance. Evon Wise and Pam Whiteside are the employees responsible for this corrective action.

- Supervisors will be given a copy of the policy concerning the review of payment forecasts and will be advised that due to the importance of this function, failure to adhere to this policy may result in disciplinary action. Evon Wise and Bob McCardle are the employees responsible for this corrective action.

Over the past two years, the Office of Risk Management has made numerous changes to improve internal control procedures and ensure adequate segregation of duties. Some of these changes include segregation of the check issuance and distribution functions, implementation of revised check writing procedures, segregation of contract preparation and contract payment functions, segregation of monitoring and collection functions regarding notes payable and implementation of new reports used for various review purposes.

The Office of Risk Management has also requested funding for an internal audit position for the past two years. We received funding for this position for FY 1997-98.

ORM will continue to make changes to strengthen the internal controls of the agency.

EW:PW

c: Evon L. Wise
Pam Whiteside

State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF RISK MANAGEMENT

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

September 15, 1997

TO: Daniel G. Kyle, Ph.D., CPA
Office of the Legislative Auditor

FROM: Evon L. Wise
State Risk Assistant Director

RE: ORM Audit Repeat Finding FY 97

Finding: "For the fourth consecutive year, the Office of Risk Management is not performing, on a sample basis, a field review of the original source documentation to support billings by contract attorneys....."

The Office of Risk Management concurs with the individual finding and recommendation. In order to conduct the recommended field audits the Office of Risk Management will need to hire personnel for this purpose. We requested additional positions in the 96/97 budget, however, in the 96/97 budget our TO was cut by four positions.

Corrective Action:

The Office of Risk Management plans to utilize the internal audit position to accomplish field review of random billings. Funding for this position was approved in the 97/98 budget. The position will be filled during the 97/98 fiscal year, prior to 6/30/98. The contact person for the corrective action is Evon Wise, State Assistant Risk Director.

EW:PW

c: Seth E: Keener, Jr.
Pam Whiteside

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State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF RISK MANAGEMENT

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

October 17, 1997

TO: Daniel G. Kyle, Ph.D., CPA
Office of the Legislative Auditor

FROM: Seth E. Keener, Jr.
State Risk Director

RE: ORM Audit Finding FY 97

Finding: "The Office of Risk Management has overstated reserves for second injury claims and has not requested timely reimbursements from the Second Injury Fund....."

The Office of Risk Management concurs with the individual finding and recommendation.

Corrective Action:

Reserves on the the claims which had reserves set in excess of the limit have been changed to reflect the limit.

Reimbursement has been requested on the four claims for which reimbursement was not timely and reimbursement has been received on one. On one of the claims, reimbursement was requested in May 1996. This request has been refiled since we never received reimbursement. On another of the claims, request for reimbursement was held up pending receipt of a doctor's report which the Second Injury Fund required. Reports were received from the doctor and forwarded to Second Injury Fund on September 16, 1997.

A review to verify the reserve amounts and reimbursement status of second injury claims has recently been completed. This review will be instituted on a quarterly basis.

EW:PW

c: Evon L. Wise
Pam Whiteside

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State of Louisiana
Department of Social Services
OFFICE OF MANAGEMENT AND FINANCE
DIVISION OF FISCAL SERVICES
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BATON ROUGE, LOUISIANA 70821-3927

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MADLYN B. BAGNERIS
SECRETARY

September 19, 1997

Dr. Daniel G. Kyle, CPA, CFE, Legislative Auditor
Office of Legislative Auditor
State of Louisiana
1600 North Third Street
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

The following is in response to the reported audit finding for this department regarding attendance and leave records not maintained for six unclassified employees.

According to the information presented to this office by your office, we concur with the findings regarding the Executive Order MJF NO.96-79, Section 20(A).

Personnel from our department attended a meeting on January 17, 1997 to discuss Executive Order NO.MJF NO.96-79. During a question and answer period, many issues were discussed regarding the time and attendance of unclassified gubernatorial appointees. Representatives from the Governor's office indicated that these issues would be taken under consideration and that the Executive Order would be revised.

Our Human Resources Director, contacted the Division of Administration, on August 21, 1997 regarding the status of the revisions of the executive order. Upon receipt of the revised executive order, this department will take action to be in compliance with the revisions.

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The contact person responsible for receipt of the revisions to the executive order is Ms. Betty Allen, Human Resources Director. Action will be taken at the time received.

This department will make every effort to resolve the above as timely as possible.

Sincerely,

Thomas Joseph

Thomas Joseph, CPA, Director
Division of Fiscal Services

TJ/MB/pad

State of Louisiana
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M. J. "MIKE" FOSTER, JR.
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MADLYN B. BAGNERIS
SECRETARY

January 5, 1998

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
State of Louisiana
1600 N. Third Street
P. O. Box 94397
Baton Rouge, LA 70804-9397

RE: **AUDIT REPORTS NOT MONITORED**

Dear Dr. Kyle:

We disagree with this finding. The facts of the case, especially as they relate to our correspondence with your office, simply do not support the assertions made.

On May 28, 1996, our Fiscal Section directed correspondence to your auditor-in-charge (AIC), pointing out the new thresholds in the then-proposed Circular, and requesting assistance, especially as it related to our cognizant responsibilities and residential facilities. A subsequent memo concerning this matter was submitted to the same person on June 26, 1996. On July 9, 1996, the audit manager for the DSS engagement responded by stating "I cannot comment on how the revised Single Audit Act will affect state and local governments until it has been passed by Congress..." On November 13, 1996, we outlined what we thought were the salient issues impacting DSS, and addressed a number of questions to the AIC. This letter specifically asked questions pertaining to those providers who would not meet the new thresholds prescribed.

On May 7, 1997, we directed a letter to you specifically requesting guidance in the area of audit costs for audited cost reports. This was followed up with another letter dated July 9, 1997, again directed to you, requesting guidance on any alterations to the DSS audit clause, the as-yet unanswered questions in our May 7 correspondence, and any alternative procedures we could implement. On July 9, 1997, we received a letter from the Assistant Legislative Auditor concerning the issues raised in these letters.

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His letter begins with an excerpt from section 230 of the newly revised Circular, and presents several possible scenarios in response to specific questions asked (Commissioner Letter-October 6, 1997).

We addressed a letter to the Commissioner of Administration on August 5, 1997, asking for guidance in these areas. In response to our concerns, a letter was drafted for the Commissioner's signature to OMB asking a number of questions pertaining to implementation. As of this date, we have yet to receive any response as to specific questions asked.

On November 14, 1997, we addressed a letter to the audit manager for the DSS engagement requesting an advisement on a possible policy regarding the approval of nonprofit-subrecipient engagement letters. On November 26, 1997, you responded by furnishing us copies of your July 16th correspondence, along with an excerpt from your website. In the last paragraph, you inferred that issues previously raised had been discussed with a member of DSS. This was refuted in our December 2, 1997 correspondence. On December 4, 1997, we solicited the audit manager's advice on any proposed changes to DSS Contract Clause #3. On December 5, 1997, we received a letter directly from you stating that you "would review the adequacy of the policy and the department's compliance with OMB Circular A-133 during our annual audit..." Finally, on December 16, 1997, the last piece of correspondence was directly from you reviewing our clause making a recommendation for advising providers on when a single audit would be required. However, it deleted any mention of R. S. 24:513, and what your expectations were in the way of the department enforcing it.

For the reader's information, we wish to inform them that OMB Circular A-133 is effective for periods beginning on or after July 1, 1996. However, it wasn't fully revised until June 26, 1997, and did not enter the Federal Register until July 1, 1997. As pointed out earlier, we specifically requested guidance during the latter portion of 1996 concerning the $300,000 threshold mentioned in your finding. Your audit manager stated that she could not take a position until the Single Audit Amendments of 1996 were passed by Congress. Yet, your finding implies that DSS has been negligent in enforcing a regulation that was passed into law six (6) days before our year-end.

We would also like to emphasize to you that R. S. 24:513 (A)(3) references a threshold of more than $50,000, but not less than $350,000 in revenues for those who are required to have annual compilations of their financial statements, accompanied by attestation report on the entity's compliance with laws and regulations that would have a material effect on the financial statements. There are two things wrong with this requirement. First, the upper range of this threshold does not coincide with the federal threshold. Secondly, the attestation questionnaire referenced in the Louisiana Governmental Audit Guide addresses a number of matters that are not even applicable to private nonprofit organizations and/or for-profit subrecipients. We have addressed this concern to you in a separate piece of correspondence, dated December 18, 1997.

Finally, it is worth noting that in the Single Audit Information Service publication dealing with current developments (Number 155-November 1997), Mr. Norwood Jackson, deputy controller of the Office of Management and Budget made the following statement with regard to pass-through entities' responsibilities: "...Jackson noted that pass-through entities must inform all subrecipients of Circular A-133's requirements, **but subrecipients are not required to inform pass-through entities what their actual spending levels are.** Therefore, pass-through entities might not know if their subrecipients spend $300,000 or more (and require a single audit) or less than $300,000 (and require other forms of monitoring)..." Therefore, it is the considered opinion of DSS and its fiscal unit that, in the absence of any specific directive from either OMB, any federal funding source(s), or your office, any policy of monitoring would strictly be after-the fact (i.e., after the contract period has ended, as advised by Mr. Jackson).

We wish to emphasize our willingness to cooperate with your office in devising policies that may be implemented to ensure compliance with the Circular. It has been our policy in the past to turn to your office whenever these-type matters arise. As shown by the enumerated correspondence above (which we will gladly make available upon request), we have been very vocal about our concerns in this area. Therefore, we feel that this is a non-finding and a moot point, both now and in the future.

As a postscript to the above, it is worth noting that a comprehensive package, designed to cover the requirements of LAC 34:V:134, and approved by the previous AIC, was presented at the DSS Executive Staff Meeting, held on September 12, 1996. However, it was rejected by the staff as being cumbersome and bureaucratic. Now, with the advent of A-133, the package, based on the previous guidance, cannot be implemented.

Respectfully,

Thomas Joseph

Thomas Joseph, CPA
Director
Fiscal Section

c: Madlyn B. Bagneris
Secretary

J. Renea Austin
Undersecretary

Johnathan White
Acting Deputy Undersecretary

State of Louisiana
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MADLYN B. BAGNERIS
SECRETARY

December 29, 1997

Dr. Daniel G. Kyle, CPA, CFE, Legislative Auditor
Office of Legislative Auditor
P.O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

RE: Office of Community Services RMS Audit Findings

The Office of Community Services (OCS) concurs with the findings of the auditor regarding timely conduction of observed samples and performance of random monitoring at each location. A corrective action has been developed by OCS State Office, which also includes corrective action plans in each region, to assure future compliance with RMS procedures.

The OCS corrective action plan is as follows:

1. Each region shall develop a corrective action plan to prevent future occurrences of errors in the observation of RMS times and monitoring reports. The corrective action plans are due in State Office no later than January 15, 1998.

2. State Office RMS personnel will begin monitoring of the RMS process from the state office level to assure compliance with prescribed RMS procedures. Monitoring by State Office personnel shall include random unannounced site visits at the times of observed samples as well as worker self-report. Site visits shall include a brief conference with the parish/regional office RMS coordinator and the parish manager/district supervisor. At least one site visit will be completed to each site by the end of FY 97-98.

3. State Office RMS personnel will make quarterly visits to each regional RMS coordinator to review corrective action plan implementation, monitoring procedures and findings from site visits. Quarterly visits will begin January 1, 1998.

Carmen Weisner, Assistant Division Director, Division of Field Services, is the contact person

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responsible for the corrective action plan.

Thank you for your time and cooperation. If you have any additional questions, please contact Mrs. Weisner at 342-4035.

Sincerely,

Shirley B. Goodwin
By Brenda L. Kelley, Deputy

Shirley B. Goodwin
Assistant Secretary

SBG/cdw

cc: Brenda L. Kelley, Deputy Assistant Secretary
Richard Duscoe, Child Welfare Director
Robert Hand, Division Director of Financial Management
Judy Mastro, Division Director of Field Services
Carmen Weisner, Assistant Division Director of Field Services
Thomas Joseph, Director of Fiscal Services, DSS

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MADLYN B. BAGNERIS
SECRETARY

December 22, 1997

Dr. Daniel G. Kyle, Ph.D.,CPA,CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

In response to your findings regarding Random Moment Sampling activities in the Office of *Family Support, Assistant Secretary Vera Blakes has informed* her lead management staff statewide to address the weaknesses noted.

Attached is a copy of the directive Ms. Blakes issued to her Regional Managers throughout the state advising that action be taken by January 31, 1998.

Sincerely,

Thomas Joseph

Thomas Joseph, CPA, Director
Fiscal Services

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State of Louisiana
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BATON ROUGE, LOUISIANA 70804-9065

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MADLYN B. BAGNERIS
SECRETARY

December 23, 1997

MEMORANDUM

TO: Office of Family Support Regional Managers:
Gail Durham - Region 1
Louis Broussard - Region 2
Robert Ledet - Region 3
Reggie Devillier - Region 4
Barbara McManus - Region 5
C. J. Guillory - Region 6
Daneta Bardsley - Region 7
Daniel Sledge - Region 8
Mary Joseph - Region 9

FROM: Vera W. Blakes
Assistant Secretary

RE: Legislative Auditor's Findings Re: RMS Activities

A recent review of RMS Activities by the Legislative Auditor reflected weakness in the performance of cost allocation samples timely. Specificially, the audit revealed that the designated observer did not conduct the random moment sample at the scheduled time for 7% of the observed samples for this agency. Additionally, random monitoring observations of the RMS process for each location were not performed at least once per quarter.

Therefore, I am requesting that each of you bring this matter to the attention of your Parish Managers no later than January 31, 1998 to assure compliance with RMS Policy as reflected in Chapter 7, Section 900.

VWB/CH/ch

CC: Lionel Anthony, Deputy Assistant Secretary
Julie Howard, Director - Field Operations
John Jett, Director - Field Operations
Carolyn Hitt, Director - Administrative Services

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M. J. "MIKE" FOSTER, JR.
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MADLYN B. BAGNERIS
SECRETARY

February 10, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
1600 N. Third Street
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

RE: INADEQUATE DOCUMENTATION OF FOSTER CARE PAYMENT

Dear Dr. Kyle:

Attached, please find our response to the finding of the Legislative Auditor as it relates to the above referenced subject.

Respectfully,

Thomas Joseph

Thomas Joseph, CPA
Fiscal Director

TJ/cab

"AN EQUAL OPPORTUNITY EMPLOYER"

SOCIAL SERVICES, DEPARTMENT OF

Inadequate Documentation of Foster Care Payments

The Department of Social Services, Office of Community Services, did not consistently adhere to its procedures for making payments under the Foster Care — Title IV-E (CFDA 93.658) program. The procedural manual for the Tracking Information and Payment System (TIPS) through which payments for foster care services are made, requires that service authorizations be prepared and approved for room and board payments and that receipts or other documentation be filed in the client's records for expenditures made by foster parents on behalf of foster care children. However,five of 50 payments (11 percent) that totaled $2,136 of the $9,812 (22 percent) examined were not supported by the required documentation.

These conditions may attributed to poor record keeping practices. Failure to follow prescribed procedures could result in unallowable, unauthorized, or duplicate payments. The Office of Community Services should immediately require all foster care workers to adhere to the TIPS procedural manual by maintaining documentation of payments in the client's payment records.

RESPONSE

The agency concurs with the findings. Corrective action has been taken in each office to assure proper procedures are adhered to in the future. Staff has been advised of appropriate authorization that conforms to agency standards. TIPS procedural manual was reviewed along with a review of office procedures to prevent future occurrences. In addition, the agency shall utilize the State Office TIPS Committee as a consultative work group to determine what other corrective measures are appropriate for improved operation of the system.

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SECRETARY

December 18, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, La. 70804-9397

Dear Dr. Kyle:

In response to your request, we have attached the official response relating to the reportable audit finding for the Department of Social Services regarding "Inappropriate Reimbursement for Related Party Transactions."

Any questions regarding the corrective action to be taken regarding this finding should be directed to Sidney Hall, Deputy General Counsel for the Department of Social Services at 504-342-0497.

Sincerely,

Thomas Joseph

Thomas Joseph, CPA, Director
Bureau of Fiscal Services

Attachments

CC: Madlyn B. Bagneris
J. Renea Austin
Vera W. Blakes
Sidney Hall
Robert P. Thompson

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DSS RESPONSE TO AUDIT FINDING

The department concurs with the recommendation to seek restitution for the overpayments made to Community Independent Living Systems, Inc. (CILS) from FY 1991-92 through fy 1996-97 for data processing equipment and software utilized in the FIND Work Program's contracts.

The Contract Monitors for the CILS contracts in Lafourche, New Orleans and Tangipahoa parishes have determined the amount reimbursed to the contractor for the equipment and software to be $327, 158. 34.

The Department's Bureau of General Counsel has notified the contractor by certified mail of the Department's demand for the full amount ($327,158.34). The contractor was given ten (10) working days from the date of receipt of the letter to re-pay the obligation in full.

According to the letter, if the contractor does not comply within the time limit, legal proceedings will immediately commence to collect the outstanding indebtedness and the contracts currently in place in a New Orleans and Tangipahoa parishes will be canceled in thirty (30) days.

A meeting was held with the contractor on December 11, 1997 regarding the issues presented in the letter of December 5, 1997 at which time the Secretary allowed the contractor to continue services to FIND Work participants under the current contracts until a declaratory order is made to clarify the differences on the present agreements. However, no further funding will be provided under these contracts until either the indebtedness is satisfied or the declaratory order provides some other relief.

This matter has been previously disclosed (along with our comments) through the reporting medium of the Office of the State Inspector General. It is worth noting that DSS has been conducting an ongoing dialogue with the provider that has been well-documented by the media. As evidenced by the commentaries above, attempts have been made at resolution, and the disputation has been elevated to the 19th Judicial District Court of the State of Louisiana.

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(504) 771-5522

December 5, 1997

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
Office of Legislative Auditor
State of Louisiana
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

ATTN: Mr. William Burch, Audit Manager

Dear Dr. Kyle:

Enclosed are the updated responses from the Southern University System pertaining to ***Internal Control Over Movable Property Not Followed, Lack of Food Service Contracts, Lack of Controls Over Football Ticket Revenue, Lack of Controls Over Cash, Untimely Recording and Clearing of Travel Advances, and Unauthorized Student Loans*** for the 1996-97 Financial and Compliance Audit performed by your office.

Should you need any further assistance, please contact my office.

Sincerely,

Leon R. Tarver II
President
Southern University System

xc: Tolor White
Ralph Slaughter
Gloria Thompson

Enclosures

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SOUTHERN UNIVERSITY - BATON ROUGE

RESPONSE TO LEGISLATIVE AUDITOR'S FINDING

FOR THE PERIOD ENDED JUNE 30, 1997

Date: December 5, 1997

AUDIT FINDING	UNIVERSITY'S RESPONSE	PROPOSED CORRECTIVE ACTION	CONTACT PERSON(S)	PROJECTED COMPLETION DATE
Lack of Controls Over Football Ticket Revenue	A copy of the Internal Auditors Report on the Southern University Athletic Department Ticket Office has been forwarded to the University's Police Department for a complete investigation. The Police Department has investigated this case, arrested the former Ticket Manager and the files have been transmitted to the District Attorney's Office for appropriate action. The basic cause for the misappropriation of funds in the Athletic Ticket Office appears to be fraud, not a deficiency in the internal control structure. The "cause" as shown in the auditors' report states, "It appears that deliberate attempts were made to cover shortages in Bayou Classic funds." A deliberate deception practiced to secure unfair and unlawful gain is fraud. The majority of the shortages occurred on weekends.	The following actions have been taken to further strengthen the existing controls in this area: • The employment of the ticket manager has been terminated. A new ticket manager was hired on June 1, 1997. • The Baton Rouge Campus is in the process of hiring an Accounting Specialist II in the Athletic Department. The responsibilities of this position will include reconciling the daily journals to amounts deposited. The Accounting Specialist II will report to the Assistant Athletic Director and will be required to monitor ticket sales activity and review the work of the Ticket Manager. The Accounting Specialist II will also be responsible for verifying, sealing and securing deadwood inventory stock after each event.	Mr. Marino Casem Mr. Marino Casem	Completed February 1, 1998

SOUTHERN UNIVERSITY - BATON ROUGE

RESPONSE TO LEGISLATIVE AUDITOR'S FINDING

FOR THE PERIOD ENDED JUNE 30, 1997

Date: December 5, 1997

AUDIT FINDING	UNIVERSITY'S RESPONSE	PROPOSED CORRECTIVE ACTION	CONTACT PERSON(S)	PROJECTED COMPLETION DATE
Lack of Controls Over Football Ticket Revenue		• The operating procedures for athletic ticket sales have been changed to require the Ticket Master Journals to be printed each day of the week(7 days). Journals for non-work days are being printed on the commencement of the first work day. The Ticket Master Journals are being reviewed daily by the Assistant Athletic Director, pending the hiring of the Accounting Specialist II.	Mr. Marino Casem	Completed
		Employees with approval, monitoring and review responsibilities have been trained on the Ticket Master System. The season book customers' accounts have been investigated. All deleted accounts have been reactivated.	Mr. Marino Casem	Completed

SOUTHERN UNIVERSITY - BATON ROUGE

RESPONSE TO LEGISLATIVE AUDITOR'S FINDING

FOR THE PERIOD ENDED JUNE 30, 1997

Date: December 5, 1997

AUDIT FINDING	UNIVERSITY'S RESPONSE	PROPOSED CORRECTIVE ACTION	CONTACT PERSON(S)	PROJECTED COMPLETION DATE
Lack of Controls Over Football Ticket Revenue		**Unaccounted for Bayou Classic Complimentary Tickets**		
		The procedures for complimentary ticket sales will be changed to require the Accounting Specialist II for the Department of Athletics to develop an independent report on complimentary tickets to ensure that all tickets issued are in accordance with the Southern University Board of Supervisors' policy governing this activity.	Mr. Marino Casem	Completed
		The disposition of the 156 tickets which could not be determined has been turned over to the Southern University Police Department to be included as a part of the overall investigation.	University Police	On-going
	Shortage Change Fund	**Shortage Change Fund**		
	The $700 in change funds has been repaid and appropriately receipted.	The internal audit staff will conduct random counts of the change funds to ensure that the authorized amount is maintained.	Internal Auditor	On-going

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December 5, 1997

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
Office of Legislative Auditor
State of Louisiana
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

ATTN: Mr. William Burch, Audit Manager

Dear Dr. Kyle:

Enclosed are the updated responses from the Southern University System pertaining to ***Internal Control Over Movable Property Not Followed, Lack of Food Service Contracts, Lack of Controls Over Football Ticket Revenue, Lack of Controls Over Cash, Untimely Recording and Clearing of Travel Advances, and Unauthorized Student Loans*** for the 1996-97 Financial and Compliance Audit performed by your office.

Should you need any further assistance, please contact my office.

Sincerely,

Leon R. Tarver II
President
Southern University System

xc: Tolor White
Ralph Slaughter
Gloria Thompson

Enclosures

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SOUTHERN UNIVERSITY - BATON ROUGE

RESPONSE TO LEGISLATIVE AUDITOR'S FINDING

FOR THE PERIOD ENDED JUNE 30, 1997

Date: December 5, 1997

AUDIT FINDING	UNIVERSITY'S RESPONSE	PROPOSED CORRECTIVE ACTION	CONTACT PERSON(S)	PROJECTED COMPLETION DATE
LACK OF FOOD SERVICE CONTRACTS	Southern University entered into an agreement on June 17, 1996 with the ARAMARK Corp., to provide management services for the University's food service operation. As stipulated in the contract specifications, page 21, item 31-A, "The contractor shall be responsible for securing all subcontracts for the Food Court in the Smith-Brown Memorial Union." Through no fault of Southern University or the ARAMARK Corp., the management contract was disapproved by the Division of Administration on April 25, 1997. As a result of this, the University has not required ARAMARK to secure all Food Court subcontracts. The University's administration believes it would be difficult to enforce a contract that has been declared invalid. Under an emergency declaration, the University has allowed ARAMARK to continue to provide management services to the Food Service program.	The Food Court vendor whose commissions are current has been allowed to continue operation in the Food Court until June 30, 1998. However, the University has instructed its attorney to secure a letter of agreement for continued operation until a food service contract can be implemented. The vendor with the $7,657.00 outstanding balance will not be allowed to return to the Food Court until all delinquent commissions have been paid. Recently, the University submitted a proposed settlement offer to this vendor. We are awaiting a written response to our proposed settlement.	Mr. Frank Ransburg	June 30, 1998

SOUTHERN UNIVERSITY - BATON ROUGE

RESPONSE TO LEGISLATIVE AUDITOR'S FINDING

FOR THE PERIOD ENDED JUNE 30, 1997

Date: December 5, 1997

AUDIT FINDING	UNIVERSITY'S RESPONSE	PROPOSED CORRECTIVE ACTION	CONTACT PERSON(S)	PROJECTED COMPLETION DATE
LACK OF FOOD SERVICE CONTRACTS	The letting of a new food service contract is currently on hold and under review by the 19th Judicial District Court. The court is addressing the issues which caused the University not to be able to operate its food service program under a regular contract. In the interim, the University's food service program is operating under an emergency declaration. A new food service provider is scheduled to be in place on July 1, 1998, barring the emergence of additional unforeseen problems.			

SOUTHERN UNIVERSITY AND A&M COLLEGE SYSTEM
BATON ROUGE, LOUISIANA 70813
(504) 771-2011

Baton Rouge, New Orleans,
Shreveport/Bossier City
LOUISIANA

Office of the President
(504) 771-4680

Fax Number:
(504) 771-5522

December 2, 1997

Bruno and Tervalon
Certified Public Accountants
c/o Office of the Legislative Auditor
State of Louisiana
1600 North Third Street
Baton Rouge, Louisiana 70802

RE: Federal Grants
Financial and Compliance Audit
FY 1996-97

Dear Sir or Madam:

Enclosed, per your request, are responses from the Southern University System to the Federal Grants Financial and Compliance Audit for the year ended June 30, 1997.

Should you need further information, please contact my office.

Sincerely,

Leon R. Tarver II
President
Southern University System

Enclosures

LRT/r

"An Equal Educational Opportunity Institution"

SOUTHERN UNIVERSITY-BATON ROUGE

Response to Federal Grants
Financial and Compliance Audit Report

FOR THE YEAR ENDED JUNE 30, 1997

Date: December 1, 1997

AUDIT FINDING	CORRECTIVE ACTION PLAN	ANTICIPATED COMPLETION DATE	CONTACT PERSON(S)
97-01 Satisfactory Academic Progress	**The students identified in this finding were evaluated on a case by case basis as indicated by federal regulations. The Chancellor appointed a committee to revise the satisfactory academic progress policy to meet federal guidelines while allowing for a fair and equitable evaluation of all students regardless of enrollment status. The new policy has been completed and implemented for the 1997-98 academic year.** **Enhancements made to the financial aid software will not allow a student to be awarded financial aid without making Satisfactory Academic Progress.** **Waivers will be reviewed on a case by case basis, properly documented and approved by the appropriate level of Financial Aid Management.**	**June 1998**	**Mrs. Cynthia Tarver**

SOUTHERN UNIVERSITY-BATON ROUGE

Response to Federal Grants
Financial and Compliance Audit Report

FOR THE YEAR ENDED JUNE 30, 1997

Date: December 1, 1997

AUDIT FINDING	CORRECTIVE ACTION PLAN	ANTICIPATED COMPLETION DATE	CONTACT PERSON(S)
97-02 Student Enrollment Status	**The students referred to in this finding were registered less than half time. A Focus program has been written (FFR501) to generate a listing of the less than half time students. The students identified will be given exit interviews.**	**June 1998**	**Mrs. Cynthia Tarver**
	Southern University has been approved to participate in the National Student Loan Data System (NSLDS) for Student Status Confirmation Reports (SSCRs). This is done through a sixty (60) day reporting cycle by way of electronic transmission whereby a student's enrollment status is updated. This electronic reporting process will allow the University to report in a timely manner. **According to recent data received from NSLDS, a division of the U.S. Department of Education, we are no longer required to submit status changes between reporting cycles.**	**June 1998**	**Mr. Marvin Allen**

SOUTHERN UNIVERSITY-BATON ROUGE

Response to Federal Grants
Financial and Compliance Audit Report

FOR THE YEAR ENDED JUNE 30, 1997

Date: December 1, 1997

Audit Finding	Corrective Action Plan	Anticipated Completion Date	Contact Person(s)
97-03 Aid Exceeded Documented Need	**The University will closely monitor all awards to prevent overawards from occurring. The procedure for adding subsequent awards to a student aid package will also be reviewed and revised accordingly.**	**June 1998**	**Mrs. Cynthia Tarver**

SOUTHERN UNIVERSITY AND A&M COLLEGE SYSTEM
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(504) 771-4680

Fax Number:
(504) 771-5522

December 5, 1997

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
Office of Legislative Auditor
State of Louisiana
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

ATTN: Mr. William Burch, Audit Manager

Dear Dr. Kyle:

Enclosed are the updated responses from the Southern University System pertaining to ***Internal Control Over Movable Property Not Followed, Lack of Food Service Contracts, Lack of Controls Over Football Ticket Revenue, Lack of Controls Over Cash, Untimely Recording and Clearing of Travel Advances, and Unauthorized Student Loans*** for the 1996-97 Financial and Compliance Audit performed by your office.

Should you need any further assistance, please contact my office.

Sincerely,

Leon R. Tarver II
President
Southern University System

xc: Tolor White
Ralph Slaughter
Gloria Thompson

Enclosures

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SOUTHERN UNIVERSITY AT NEW ORLEANS
RESPONSE TO LEGISLATIVE AUDITOR'S FINANCIAL AND COMPLIANCE AUDIT
FOR THE YEAR ENDED JUNE 30, 1997
DECEMBER 4, 1997

Audit Finding	University's Response	Proposed Corrective Action	Completion Date	Contact Person(s)
LACK OF CONTROLS OVER CASH For the second consecutive year, Southern University at New Orleans has not maintained adequate internal controls over cash. Examination of twelve Pay-in-Vouchers (PIVs), totaling $97,289.00, the following internal controls weakness were noted: 1. For four PIVs tested, the same employee who had access to the cash deposit and supporting receipts also prepared the PIV and approved the batches to record the cash receipts in the general ledger. 2. For six PIVs tested, the same employee entered and approved the batches to record cash receipts in the general ledger. Also, in one of these instances the same employee had access to the cash deposit, supporting receipts and prepared the PIV. 3. There is no reconciliation of the amounts deposited per the PIV or the amounts recorded in the ledger to the cash receipt summary report to ensure that there has been a proper accounting for all cash receipts. 4. All twelve PIVs tested were recorded in the general ledger from 7 to 19 days after the date of receipts. 5. Cashiers have the ability to void cash receipts without supervisory approval.	The Comptroller and the University recognize and acknowledge the internal control over cash weaknesses existent in the Comptroller's and Cashier's office. The Comptroller's office has experienced a shortage of personnel due to illness and vacant positions thereby causing delays in posting transactions, and current and simultaneous employee responsibilities. The Comptroller's office and the University will establish internal control procedures over cash receipts by providing an adequate segregation of duties, reconciling amounts deposited to the underlying receipt documentation, and timely recording of cash receipt transactions. The Comptroller's office and the University agree that procedures should be implemented to ensure that cash accounts are properly monitored to guard against theft or misuse.	The University has taken steps to ensure the timely posting of cash receipts to the general ledger. Reassignment of the Comptroller's office staff duties have been completed. The vacant positions are in the process of being filled in the Comptroller's office. A Civil Service roster has been requested. The Cashiering area has been restructured to improve internal control of cash. * The Cashier will receipt and summarize transactions by type. Ms. Matthews will process the transactions and prepare the PIV. * Ms. Pitts will verify the totals from the One Step System to the PIV and prepare the bank deposit; sign the audit tape from the One Step System and pass the PIVs entered by Ms. Matthews and verify totals. * Ms. Pitts or Ms. Matthews is responsible for approving void receipts. * The new process will improve the posting of transactions into the general ledger and provide procedures to properly safeguard the assets of the University. * Ms. Matthews prepares the Daily Receipt Report that includes the date, PIV number, PIV total, account receivable payments, discover card payments, student deposits, SGA withdrawals, cash short or over, miscellaneous transactions and the deposit to the bank. * The Comptroller reviews Daily Receipt Report and compares the PIV total to a copy of the PIV and down loads account receivable payments from the One Step System. The account receivable payments from the One Step System are compared to the account receivable payments on the report and the PIV. * A copy of transactions from the One Step System and Daily Receipt Report are maintained in the Comptroller's office. The Comptroller compares the bank deposits to the general ledger. * The Comptroller compares the cash payments to the BRS System and general ledger.	The corrective actions became effective as of 10/06/97, and will continue to remain in effect.	Gerald Williams, Comptroller

SOUTHERN UNIVERSITY AT NEW ORLEANS
RESPONSE TO LEGISLATIVE AUDITOR'S FINANCIAL AND COMPLIANCE AUDIT
FOR THE YEAR ENDED JUNE 30, 1997
DECEMBER 4, 1997

Audit Finding	University's Response	Proposed Corrective Action	Completion Date	Contact Person(s)
LACK OF CONTROLS OVER CASH The SUNO Comptroller detected a theft of $1,137.00 from the university's change suspense fund. The theft was discovered through a surprise count of cash on hand and a subsequent reconciliation to the general ledger balance.	On or about April 30, 1997, Gerald Williams, Comptroller, detected a shortage of cash in the amount of $1,086.59 in the cash count of Gary E. Dugue (former Accountant Supervisor II). Mr. Dugue admitted to the shortage and provided written statements regarding the cash shortages. On or about May 21, 1997, Mr. Dugue resigned his employment from SUNO and indicated in writing that he would repay the stolen money to the University. At the time of his resignation, Mr. Dugue was due a payroll check in the amount of $595.24. Instead of holding Mr. Dugue's final paycheck as payment toward the stolen money, Mr. Dugue was permitted to receive his final paycheck on or about May 24, 1997. To date, Mr. Dugue has paid no money towards restitution of the stolen funds.	On or about June 17, 1997, SUNO Police Officer Bobbie Roy filed a theft complaint with the New Orleans Police Department and obtained a warrant for the arrest of Mr. Dugue. On or about November 11, 1997, Mr. Dugue was arrested pursuant to the warrant obtained by Officer Roy. On or about November 24, 1997, Bruce Smith, SUNO's Chief of Campus Police, received notice from NOPD of Mr. Dugue's arrest on or about November 24, 1997. Chief Smith notified Sherrye Carradine, Assistant to the Chancellor, of Mr. Dugue's arrest and provided Ms. Carradine with a copy of the arrest report. Chief Smith was instructed to follow up with the arresting agency and the District Attorney's office regarding the status of an indictment. On or about December 4, 1997, pursuant to the President's directives to address this matter, Ms. Carradine instructed Chief Smith and Mr. Gerald Williams to prepare a detailed written memorandum regarding the theft from the Comptroller's office. Both parties on this date transmitted written letters to Ms. Carradine. On or about December 4, 1997, Ms. Carradine held a conference with Junius Robinson, Gerald Williams, Chief Smith and Theola Caiton to determine the reasons why Mr. Dugue was permitted to walk away from the University with his final paycheck when all parties were aware of Mr. Dugue's financial obligation to the University as result of the theft of funds from the cashier's office. Mr. Williams acknowledged his certification of Mr. Dugue's University Check-Out form on May 21, 1997 and admitted that his certification was an oversight due to the fact the Mr. Dugue had agreed in writing to repay the money from his final paycheck. Mrs. Caiton reported that since all required certifications were made on Mr. Dugue's Check-Out form, the personnel office released Mr. Dugue's final paycheck to the Comptroller's office on or about May 24, 1997. Mr. Williams has been instructed to located the check sign-out forms for the period ending May 24, 1997 to determine whether Mr. Dugue signed for his final paycheck.	December 5, 1997	Gerald Williams, Comptroller

SOUTHERN UNIVERSITY AT NEW ORLEANS
RESPONSE TO LEGISLATIVE AUDITOR'S FINANCIAL AND COMPLIANCE AUDIT
FOR THE YEAR ENDED JUNE 30, 1997
DECEMBER 4, 1997

Audit Finding	University's Response	Proposed Corrective Action	Completion Date	Contact Person(s)
LACK OF CONTROLS OVER CASH		At this time, it appears that the only means of recovering restitution from Mr. Dugue is through the Court system. Beginning December 5, 1997, Chief Smith will make daily contact with New Orleans Police Department to determine the status of an indictment from the New Orleans District Attorney's office. Ms. Carradine will follow up with the District Attorney's office and urge an indictment against Mr. Dugue. If indicted, Ms. Carradine will monitor the status of the criminal trial to insure that the University's position is represented at trial, e.g., punishment together with restitution. For future reference: • The University will take measures to insure non-release of an employee's paycheck under circumstances in which the employee owes a financial obligation to the University. All University administrators with knowledge of outstanding employee financial obligations are to notify the personnel office of such information. The personnel office will place a hold on release of any and all funds due the employee by the University until otherwise receiving written approval from the Chancellor granting authorization to release such funds. • The Comptroller will immediately report all incidents of criminal activity within the Comptroller's office to the University's Campus Police Department and Chancellor's office. The Comptroller will immediately open an account receivable for collection of outstanding financial obligations to the University. • The University's Chief of Police will immediately conduct a thorough investigation of any and all alleged criminal activity and submit a written report to the Chancellor's office. The Chief of Police will actively and closely monitor the status of pending criminal investigations. • All reports of criminal activity which are verified through reliable and sufficient evidence will be immediately referred to the appropriate prosecuting authorities.	Ongoing criminal investigation and proceedings	Gerald Williams, Comptroller Sherrye Carradine, Assistant to the Chancellor Bruce Smith, Chief of Campus Police

SOUTHERN UNIVERSITY AND A&M COLLEGE SYSTEM
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Fax Number:
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December 5, 1997

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
Office of Legislative Auditor
State of Louisiana
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

ATTN: Mr. William Burch, Audit Manager

Dear Dr. Kyle:

Enclosed are the updated responses from the Southern University System pertaining to ***Internal Control Over Movable Property Not Followed, Lack of Food Service Contracts, Lack of Controls Over Football Ticket Revenue, Lack of Controls Over Cash, Untimely Recording and Clearing of Travel Advances, and Unauthorized Student Loans*** for the 1996-97 Financial and Compliance Audit performed by your office.

Should you need any further assistance, please contact my office.

Sincerely,

Leon R. Tarver II
President
Southern University System

xc: Tolor White
Ralph Slaughter
Gloria Thompson

Enclosures

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SOUTHERN UNIVERSITY AT NEW ORLEANS
RESPONSE TO LEGISLATIVE AUDITOR'S FINANCIAL AND COMPLIANCE AUDIT
FOR THE YEAR ENDED JUNE 30, 1997
DECEMBER 4, 1997

Audit Finding	University's Response	Proposed Corrective Action	Completion Date	Contact Person(s)
UNTIMELY RECODING AND CLEARING OF TRAVEL ADVANCES The following deficiencies were noted: 1. The employee responsible for reviewing travel documentation and posting entries to the general ledger did not record travel transactions when employees submitted their travel expense claims. The transactions were posted to the ledger between 52 and 279 days after the last day of travel. 2. The University has not required employees to pay balances due on travel advances before receiving an additional travel advance. The University's practice has been to net all outstanding balances for each employee at fiscal year end and require the year end balance to be paid prior to receiving a travel advance in the subsequent fiscal year. 3. Five of the travel advances, totaling $1,877, had not been collected or deducted from employee's pay at June 30, 1997. These advances were for travel that ended between November 10, 1996, and April 27, 1997. 4. There were seventeen (17) instances where these five employees received an additional travel advance without clearing a prior travel advance. 5. The New Orleans campus has $40,350 in outstanding travel advances at June 30, 1997.	1. Travel advances have been assigned to another employee, Ms. Ella Stewart, who is replacing Marcia Robinson. 2. A travel log has been developed to show that travel advances are maintained. The log will include: Date Advanced; Name; Department; Amount; GL Date; Fund; Receipts; Total GL Date; Difference. 3. Ms. Stewart will submit a monthly report to the comptroller for cleared and uncleared travel advances. The Comptroller will forward a request to the Vice Chancellor for Administration to deduct any outstanding travel advances from employee that do not meet the established guidelines.	The person responsible and accountable for the implementation of these changes and for assuring that all reports are prepared and reconciled timely is the SUNO Comptroller, Gerald Williams. Travel advances that were not cleared have been submitted of payroll deductions. Of the $40,350.00 reported unpaid by the Auditors, $10,439.03 has been repaid to the University. The Comptroller will continue to research the location and/or payment of the remaining $29,910.97. He will check with the personnel office to determine wether those funds have been placed against an employee's account, and if not, he will take the necessary action to began payroll deductions. The University will not issue additional travel advances to employees with outstanding travel balances.	February 1998	Gerald Williams, Comptroller

SOUTHERN UNIVERSITY AND A&M COLLEGE SYSTEM
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Office of the President
(504) 771-4680

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(504) 771-5522

December 2, 1997

Bruno and Tervalon
Certified Public Accountants
c/o Office of the Legislative Auditor
State of Louisiana
1600 North Third Street
Baton Rouge, Louisiana 70802

RE: Federal Grants
Financial and Compliance Audit
FY 1996-97

Dear Sir or Madam:

Enclosed, per your request, are responses from the Southern University System to the Federal Grants Financial and Compliance Audit for the year ended June 30, 1997.

Should you need further information, please contact my office.

Sincerely,

Leon R. Tarver II
President
Southern University System

Enclosures

LRT/r

"An Equal Educational Opportunity Institution"

SOUTHERN UNIVERSITY - NEW ORLEANS
STATUS REPORT
FEDERAL GRANTS FINANCIAL AND COMPLIANCE AUDIT FY 1996-96
Date: December 1, 1997

Audit Finding	Proposed Corrective Action	Project Completion Date	Contact Person(s)
FEDERAL FAMILY EDUCATION LOAN (FFEL) EXIT INTERVIEWS For five (5) out of twenty-nine (29) students tested, there was no documentation on file indicating that FFEL exit interviews were held prior to the time the student withdrew, graduated, enrolled less than half time or ceased to re-enroll.	EXIT INTERVIEWS 1. The University will adhere to established policies and procedures to ensure that exit conference material is provided to borrowers prior to the time they graduate, withdraw, reduce enrollment to less than half time or cease to re-enroll. 2. The University will re-enforce its Exit Checkout Procedure to insure that FFEL exit interviews are held prior to the time the student withdraws, graduates, enrolls less than half-time or ceases to re-enroll. 3. The University's Registrar and Financial Aid Office will develop a systematic approach for communicating student enrollment changes. 4. The Chancellor at Southern University at New Orleans will remain committed to assuring that the Office of Financial Aid operate in strict compliance with all Federal and State regulations governing the financial aid process.	Programmatic procedures to address the audit findings begin on November 1, 1997.	Ursula Shorty, Director of Financial Aid

SOUTHERN UNIVERSITY - NEW ORLEANS
STATUS REPORT
FEDERAL GRANTS FINANCIAL AND COMPLIANCE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 1997
Date: December 1, 1997

Audit Finding	Proposed Corrective Action	Project Completion Date	Contact Person(s)
FEDERAL FAMILY EDUCATION LOAN (FFEL) Page 2 of 3			
NOTIFICATION TO LENDER OF CHANGES IN ENROLLMENT STATUS BETWEEN SUBMISSION OF STUDENT CONFIRMATION REPORTS For two (2) out of ten (10) students tested, the University failed to notify lenders of changes in student's enrollment status which occurred between the dates of submission of the Student Confirmation Report (SCR).	NOTIFICATION TO LENDER OF CHANGES IN ENROLLMENT STATUS BETWEEN SUBMISSION OF STUDENT CONFIRMATION REPORTS 1. The University will adhere to established policies and procedures to ensure that proper notification is provided to the lenders between submission of the Student Confirmation Report. 2. The Office of Financial Aid, Registrar and Computer Center will develop a system for reporting student enrollment data to the Office of Financial Aid in order that the Office Financial Aid can notify the lenders of changes in a student's enrollment which occurred between the dates of submission of the SCR.	Programmatic procedures to address the audit findings began on November 1, 1997.	Ursula Shorty, Director of Financial Aid

SOUTHERN UNIVERSITY - NEW ORLEANS
STATUS REPORT
FEDERAL GRANTS FINANCIAL AND COMPLIANCE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 1997
Date: December 1, 1997

Audit Finding	Proposed Corrective Action	Project Completion Date	Contact Person(s)
Page 3 of 3 NOTIFICATION TO LOAN LENDER OF STUDENT ENROLLMENT STATUS For sixteen (16) students out of twenty-nine (29) students tested, the University did not report the students enrollment status to the related loan lender.	NOTIFICATION TO LOAN LENDER OF STUDENT ENROLLMENT STATUS 1. The University will adhere to established policies and procedures to ensure that student enrollment status is reported to the related loan lender. 2. The OFA and Registrar should develop a system in which the OFA is notified of a student's enrollment status. 3. The OFA should submit enrollment status information to the loan lender immediately upon receipt of such information. 4. The Chancellor is committed to assuring that the University operates in strict compliance with all Federal and State regulations.	Programmatic procedures to address the audit finding began on November 1, 1997.	Ursula Shorty, Director of Financial Aid

SOUTHERN UNIVERSITY AND A&M COLLEGE SYSTEM
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September 8, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
State of Louisiana
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

Enclosed are the responses from the Southern University System pertaining to ***Inadequate Internal Control Over Perkins Loans Notes Receivable and Untimely Recording and Clearing of Travel Advances*** for the Single Audit of Louisiana

Should you have any further assistance, please contact my office.

Sincerely,

Leon R. Tarver II
President
Southern University System

xc: Tolor White
Ralph Slaughter
Gloria Thompson

Enclosures

LRT/r

"An Equal Educational Opportunity Institution"

SOUTHERN UNIVERSITY - SHREVEPORT
STATUS REPORT

LEGISLATIVE AUDITORS' FINANCIAL AND COMPLIANCE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 1997

September 5, 1997

Audit Finding	University's Response	Proposed Corrective Action	Completion Date	Contact Person(s)
Inadequate Internal Control Over Perkins Loans Notes Receivable	We concur with the overall finding, however, we feel that it should be noted that there has been substantial progress made on this finding. The prior audit state that "Management has taken little action to identify the approximately $130,000 difference between the subsidiary ledger and supporting loan records that existed at April 30, 1995, and which was brought to its attention in our prior audit." It also stated that "The University should identify the transactions making up the difference in Perkins Loan notes receivable, correct the subsidiary ledger, and periodically review student account balances to ensure that all entries are properly recorded."	In our preliminary response earlier in this audit, we indicated that we would initiate corrective action but recognized that this would be an arduous and time-consuming process, but in the interim, we would put into place procedures which will monitor and document any further differences on at least a monthly basis. In addition to reconciling cash balances, the University will develop an instrument which will require us to reconcile Funds Advanced; Principal and Interest Collected; Loan Cancellations, etc. These amounts will be matched against the records maintained by our Loan Servicer and any differences would be resolved in a timely fashion.	Complete	Vice Chancellor Benjamin Pugh and Director of Accounting Services, Bobby Gray

SOUTHERN UNIVERSITY - SHREVEPORT
STATUS REPORT
LEGISLATIVE AUDITORS' FINANCIAL AND COMPLIANCE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 1997

September 5, 1997

Audit Finding	*University's Response*	*Proposed Corrective Action*	*Completion Date*	*Contact Person(s)*
Inadequate Internal Control Over Perkins Loans Notes Receivable	Continued	The following tasks have been completed in an effort to resolve this finding: · Developed an instrument to reconcile Perkins Loans transactions on a monthly basis and distributed it to the audit team. · Recorded over thirty-five separate non-cash journal vouchers in FY 96-97 to correct social security number errors in the subsidiary ledger. · Identified a substantial portion of the differences between the subsidiary and supporting loan records ($77,958 or of the $130.000 difference noted in our prior audit, with $52,042 still unidentified). The failure to completely resolve this finding in fiscal 96-97 can be attributed to a lack of human resources and limited access to old financial records needed to reconcile this account.		

SOUTHERN UNIVERSITY AND A&M COLLEGE SYSTEM
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December 5, 1997

Daniel G. Kyle, Ph.D., CPA, CFE
Legislative Auditor
Office of Legislative Auditor
State of Louisiana
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

ATTN: Mr. William Burch, Audit Manager

Dear Dr. Kyle:

Enclosed are the updated responses from the Southern University System pertaining to ***Internal Control Over Movable Property Not Followed, Lack of Food Service Contracts, Lack of Controls Over Football Ticket Revenue, Lack of Controls Over Cash, Untimely Recording and Clearing of Travel Advances, and Unauthorized Student Loans*** for the 1996-97 Financial and Compliance Audit performed by your office.

Should you need any further assistance, please contact my office.

Sincerely,

Leon R. Tarver II
President
Southern University System

xc: Tolor White
Ralph Slaughter
Gloria Thompson

Enclosures

"An Equal Educational Opportunity Institution"

SOUTHERN UNIVERSITY-CAMPUS

RESPONSE TO LEGISLATIVE AUDITOR'S FINANCIAL AND COMPLIANCE AUDIT FOR THE YEAR ENDED JUNE 30, 1997

DECEMBER 3, 1997

Audit Finding	University's Response	Proposed Corrective Action	Completion Date	Contact Person (s)
LACK OF MONITORING AND REPAYMENT OF UNAUTHORIZED STUDENT LOANS The Southern University Shreveport-Bossier City campus has not reimbursed state funds for loans improperly made during the prior fiscal year ended June 30, 1995, nor had the university properly monitored the repayment status of these loans. Southern University Shreveport-Bossier City campus over awarded federal loans by $131,250 and used state funds to cover the over award amount. The over award occurred because the university Incorrectly calculated the amount of federal funds available for student loans that resulted in the university loaning more than was available under the Perkins Loan Program during the year ended June 30, 1995. To cover these loans, the university transferred various restricted and auxiliary accounts of the university, state funds that were not authorized for the purpose of making loans. The university has been unable to locate alternate funding sources to repay the various auxiliary and restricted fund for the amounts loaned to students. By not reimbursing the auxiliary and restricted funds for the amount used for the loans, this amount is not available for the purposes established for the auxiliary and restricted funds. Also failure to monitor and bill amounts due on these loans, subjects these funds to unnecessary risk should the students default on these loans.	Southern University at Shreveport-Bossier City initially received this finding during the 1994-95 fiscal year. Since that time, we have explored various possibilities of repayment of the over awarded loans. To this date, we have been unsuccessful in acquiring the necessary funds for repayment. The employee who was responsible for the incorrect calculation of federal funds available for student loans has been transferred to another position within the university. In October, 1996, our university forwarded the documentation for all these loans to Eduserv who will facilitate proper monitoring and collection. In November, 1997 Eduserv forwarded subsidiary reports dated October 31, 1997 that noted collections in the amount of $2,457 on these loans.	Continue to seek alternative funding to repay loans, and implement procedures to monitor loan service reports which will allow the university to properly account for the collection of these loans.	Unknown	Dr. Jerome Greene, Jr. Mr. Benjamin Pugh

State of Louisiana
BOARD OF TRUSTEES
STATE EMPLOYEES GROUP BENEFITS PROGRAM
P.O. BOX 44036, CAPITOL STATION
BATON ROUGE, LOUISIANA 70804

November 13, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
Office of Legislative Auditor
State of Louisiana
Baton Rouge, LA 70804

Dear Dr. Kyle:

Please note the following in response to the reportable audit finding for the fiscal year ending June 30, 1997 concerning electronic data processing control weaknesses.

We concur with this finding. In the coming months, we will evaluate the various components of the finding and determine the cost effectiveness of implementing appropriate controls. As always, we will make every effort to ensure the integrity of programs, processing, and data.

Sincerely,

James R. Plaisance
Executive Director

cc: James Wales
Daryl Gerald

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Office of Financial Services
2010 Administration Bldg. • New Orleans, LA 70148-2010 • (504) 280-6207 • FAX (504) 280-7474

University of New Orleans

September 4, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
1600 North Third Street
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

Please find below the University of New Orleans' management response to the fiscal year 1996-1997 audit finding relating to inadequate controls over receivables.

The University concurs that we have a large volume of outstanding receivables which is comprised mostly of student tuition and fees. We feel that our financial aid deferment policy has significantly contributed to the large volume of accounts receivable.

In order to reduce our receivables to a manageable level, we have implemented the following procedures:

1. A May 15th deadline for receiving Fall financial aid applications and October 1st for the Spring semester, to ensure that students' financial aid will be available at registration. Students who apply after the deadlines will not be eligible for financial aid deferments.

2. An extensive advertising program to inform the students of the deadlines and to encourage them to apply for financial aid early.

3. We are in the process of implementing a new financial aid processing software system, which will be operational for the Fall, 1998, semester.

4. In our response to last year's finding, we stated that the Office of Student Financial Aid had developed more stringent criteria for recommending pending financial aid deferments. However, the former Financial Aid Director, separated from the University on November 30, 1996, did not adhere to the important aspects of the policy. On June 5, 1997, the University appointed a new Financial Aid Director, and for Fall, 1997, he fully implemented the more stringent policy. As per our policy, all students who have not completed their registration due to incomplete financial aid applications will not be enrolled for the semester.

5. The University has modified its Student Accounting System to include information pertaining to the placement of delinquent accounts with collection agencies in order to

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monitor the effectiveness of their efforts. The Office of Financial Services will review on a monthly basis the collectibility of all such accounts which have been assigned. If it is determined that these accounts are deemed uncollectible after extensive due diligence has been performed, the University will recommend them for write off. Last year the Chancellor stated that he was committed to significantly reducing the volume of receivables within a three (3) year period. Despite this past year's set back, the University is still committed to the substantial reduction of receivables within the next two years.

Our adherence to the more stringent policies on financial aid deferments and continued aggressive collection efforts should ultimately resolve this long term finding.

Sincerely,

Linda K. Robison
Vice Chancellor for Financial Services,
Comptroller, and Chief Financial Officer

LSU MEDICAL CENTER
HEALTH CARE SERVICES DIVISION

W. O. Moss Regional Medical Center

August 06, 1997

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
1600 North Third Street
Baton Rouge, La 70804-9397

RE: Inadequate Control over Food Instruments

Dear Dr. Kyle:

This letter represents our official response to the related reportable audit finding from your agency.

We do concur in part with the Legislative Audit finding. Financial and program audits are done by the Department of Health and Hospitals/Office of Public Health and the WIC Office. Procedure 4.2 indicated Federal Management Evaluation's are done both at the state and local level. Monthly reports and reconciliation are performed of 100% of the drafts issued. Additionally, duplicate drafts are maintained on site whereby the matching issued drafts can be matched with client records and signatures. Reports generated by passport (WIC computer program) provide information reflecting drafts that are issued, redeemed unredeemed and indicate any that are unmatched.

Sections 4 defines the policy for Federal evaluations land report. Requirements Sections 18 detail the procedures for the issuance and printing of drafts, Section 22 defines policy for the security, maintenance, and reconciliation of drafts and inventory. These policies and procedures are established and maintained by the United States Department of Agriculture and Administered by the Department of Health and Hospitals, Office of Public Health Nutritional Services.

The June 1997 management review of Moss Regional Medical Center's WIC Program, by Mary Fisher, Auditor II. of the Louisiana WIC program indicated procedures were followed for recording draft inventory, storage voids, etc., therefore Agency management felt no additional controls were necessary. Any non compliance of policy provisions would have to be cited by Federal Audit. However, due to this findings the Health Care Services Division has issued a program memorandum establishing a method of internal control. A copy of the June 1997 WIC Audit is also attached.

Monta Lea Kershaw, RN, Outpatient Clinic Supervisor, is the Manager of the Agency's WIC Program.

Sincerely,

Patrick Robinson, M.D.
Acting Hospital Director

1000 Walters Street • Lake Charles, Louisiana 70607
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State of Louisiana
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M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

January 29, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804

Dear Dr. Kyle:

Re: Single Audit Finding-Improper Use of Nonrecurring Revenue (Revised January 14, 1998)

Please be advised that we do not concur in the aforementioned finding for the same reasons we enumerated in the prior fiscal period in which this finding was presented. First, this issue and process was highly publicized and widely discussed through various public forums (which included legislative and executive branch participates) over an extended period of time. It was also reviewed extensively by various legal entities to assure that the mandates of the constitution were followed and that no legal challenges were made in accordance with the law. It is abundantly clear that all constitutionally mandated parties involved in this decision clearly fulfilled their constitutional and statutory requirements in accordance with the law

To provide ultimate assurance as to this fact when this finding was originally presented in the prior fiscal period I requested, on December 10, 1996, an Attorney General's Opinion on this issue. On December 12, 1996, the Attorney General issued his opinion 96-519 which fully supported the position that the utilization of the undesignated fund balance for purposes of a current defeasement was proper and legal in all respects.

The actions of the Executive and Legislative Branches in response to our state's serious debt problem represent a remarkable achievement. Since the passage of the Constitutional debt amendment, state debt has been reduced by almost $5 billion (60%). I find it incredible that the Auditor would

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ignore these facts and find that his interpretation not only superior to those that were actively involved in this reform in 1989, but also contrary to the Attorney General, the Louisiana Legislature and the Division of Administration.

Finally, as we noted in the prior year finding that the entities that ultimately generated and approved this process were entities outside of the Executive Branch of government, and therefore, the finding (which in our opinion is erroneous) is improperly cast against the Executive Office.

Sincerely,

Mark C. Drennen
Commissioner of Administration

MCD/sm

c: The Honorable Randy Ewing
President of the Senate

The Honorable Hunt Downer, Jr.
Speaker of the House of Representatives

State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

M. J. "MIKE" FOSTER, JR.
GOVERNOR

MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

February 20, 1998

Dr. Daniel G. Kyle, CPA. CPE
Legislative Auditor
Post Office Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle,

RE: Single Audit Finding Inadequate Controls in State's Elections Data Processing Systems

We do not concur with the aforementioned 1997 Single Audit Report Finding titled Inadequate Controls in State's Electronic Data Processing Systems:

Early in the development of ISIS, it was decided that the most effective method to distribute information to the agencies was through a network of ISIS Agency Liaisons. In 1994, the ISIS Project Director, Sylvia Vaught, issued a memo outlining the Liaisons responsibilities. The Project team met with the liaisons throughout the project in preparation for implementation of the new system. Closer to implementation, agencies were also requested to establish Security Administrators.

The ISIS project team established, prior to the implementation, security procedures for the state agencies. These were distributed to the agencies via memorandums, the Agency Implementation Guide (AIG), and meetings held with the Liaisons and other agency representatives.

In January 1995, Chapter 10 of the AIG was released to the agencies. Chapter 10 was later revised and re-issued as Chapter 7, Section 7.4 and dealt exclusively with ISIS security. This chapter was distributed both by memo and during meetings.

In the months preceding the implementation of AGPS, CFMS, and GFS, the Office of Statewide Information Systems (OSIS) distributed **ISIS Request for USERID** forms along with instructions for the completion of the forms. It was recognized that OSIS is not the appropriate entity to determine at the agency operating level who should have access to ISIS and at what permission level. This responsibility belongs with each individual agency as they determine their functional and operational control levels. To ensure agency review of each request for a USERID, the **ISIS Request for USERID** forms contain an agency authorization section which must be completed by the Agency Liaison and the Agency Security Administrator. These signatures are checked by the ISIS Security Administrator and the **ISIS Request for USERID** is only processed if the signatures (name) match our records.

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In September 1995, OSIS distributed memorandum OSIS96-005 to all the Liaisons. This provided the Liaisons with instructions for reviewing the security reports, a copy of the security reports for their agency, and the ISIS USERID Profiles Report. The agencies were instructed to review the reports verifying, that for each agency user, the correct permissions associated with specific profiles were assigned.

Even though the ISIS Project Team established security procedures to be followed, it is not OSIS' responsibility to monitor compliance to the procedures within each agency. It should be noted that based upon that fact, OSIS developed, for your office, a special two-day training class (part of which addressed ISIS security) which we felt would prepare the Legislative Auditors for the task of reviewing agency utilization (including security) of ISIS.

The Division of Administration agrees that there is a need for additional training of state agencies in ISIS security. In fact, one of the breakout sessions of the 1998 ISIS Users Conference, which will be held February 26 and 27, addresses the issues of ISIS security. At this same conference, staff members from your office will conduct an additional breakout session which is aimed at preparing agencies for audits.

Further, OSIS is in the process of developing a half-day workshop to work with the Liaisons and Security Administrators in proper security procedures. It is OSIS's intention to offer this workshop on a quarterly basis.

To continue the process of educating the agencies, OSIS will provide updated security procedures for distribution to the ISIS Liaisons and Security Administrators to re-emphasize security issues. As the first step in this process, OSIS has issued an **ISIS User ID/Password Security QUICK REFERENCE Card**. Security information is also found on the ISIS home page of InfoLA.

It must be restated that while we accept the responsibility to continue with the efforts mentioned above, it is the agencies responsibility to enforce adherence to those established policies within their own functional areas.

Sincerely,

Mark C. Drennen
Commissioner of Administration

MCD/WJK/sm

State of Louisiana
DIVISION OF ADMINISTRATION
OFFICE OF THE COMMISSIONER

M. J. "MIKE" FOSTER, JR.
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MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

February 23, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, Louisiana 70804-9397

Dear Dr. Kyle:

Re: Single Audit Finding-Internal Audit Function

We agree with the finding that additional internal audit functions are needed in all departments. We continue to evaluate current internal audit needs and existing resource levels to ascertain the additional level of funding needed to provide that resource and work to find and provide those resources to the agencies. However, due to a lack of financial resources and this administrations stated objectives to do more with less, it will be incumbent upon each department to identify current resources which can reallocated be utilized for the internal audit function.

Sincerely,

Mark C. Drennen
Commissioner of Administration

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February 23, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

RE: Single Audit Finding - Moveable Property Records

The Division concurs with the finding, but would not agree that often the cited agencies non-compliance is the result of inadequate resources being provided to meet the legal and desired operational requirements. It is our belief that the vast majority of agencies recognize the problem and have attempted to implement operational procedures to mitigate the problem, however, due to the limited resources provided for this effort its resolution is not likely in the foreseeable future.

As to the possibility of the imposition of sanctions, it is true that LRS 39:326(D) does allow for the imposition of sanctions if the moveable property provisions are not met. We are reluctant to impose punitive sanctions on agencies whose service often go to third parties and who would be the individuals who would suffer the impact of punitive sanctions. However, we are prepared to move forward with such actions in extreme cases and the cases cited will be reviewed to determine if that actions will occur.

The LPAA will request written confirmation of the respective departments and agencies as to the validity of the findings, and corrective action taken or to be taken. Enforcement actions taken will be based upon past compliance and the proposed corrective actions of the state entity.

Sincerely,

Mark C. Drennen
Commissioner of Administration

MCD/WJK/sm

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MARK C. DRENNEN
COMMISSIONER OF ADMINISTRATION

March 9, 1998

Dr. Daniel G. Kyle, CPA, CFE
Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Dr. Kyle:

RE: Single Audit Finding - Inadequate Compilation Process

This Single Audit Finding indicates that the Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP) does not have adequate procedures for compiling the State's Comprehensive Annual Financial Report (CAFR) and that the CAFR was not issued according to the statutory deadline required by Louisiana law.

We do not concur with that part of the finding that states OSRAP lacks adequate procedures for compiling the CAFR and that the review function is deficient. As the issuance date was two months past the statutory deadline to publish the CAFR, we concur with that part of the finding but disagree that the delay was due to "inadequate compilation procedures." The delay in issuance was in large part due to a close out of the old state accounting system and utilization of the new system to compile the financial statement for the first time coupled with structural parameters imposed by outside factors. We would point out that the General Fund was available for initial audit review (though out of balance) three weeks before the auditors actually began audit work on that fund which we believe added an equivalent amount of time to the final publication date. OSRAP continued to review the fund and seek ways of properly accounting for the close out of the former system and reconciling carryovers into the new system (which was successfully completed) even after the Legislative Auditor began the audit of the General Fund.

The finding further states that there is the lack of a centralized accounting system which leads to a large number of adjusting entries. The finding fails to state that Constitutional and legislative statutes currently in place prevent the lack of a true statewide accounting financial management system. Additionally, due to the requirements of GAAP and the varying differences necessitated by Constitutional and legislative mandates, we must add, remove, and reclassify in

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order to provide a valid reporting model. As mentioned in the response to the 1996 finding which is still valid in 1997, the Legislative and Judicial branches, including the Legislative Auditor, are not on the state's central financial management system and, at this time, the Executive Branch has no legal authority to mandate that participation This creates inherent delays in completing the compilation and does increase the chance of error. The adjusting entries are simply a necessity created by imposed parameters. The number of entries could have been reduced, however, it is our position that the presentation made facilitated ease of tracking, classification, and was a professional preference. (It should be noted that steps to bring the Departments of Labor and Transportation and Development onto the system either as an interface or as a full implementation are underway).

Even with the obstacles created by these imposed parameters we do agree that the General Fund should not have any unreconcilable differences and substantial effort has been expended to that end with increasing better results each year. OSRAP will again devote resources to mitigate this situation. Specifically, OSRAP will put together a task force to review and revise if necessary the method of compiling the General Fund so that differences will be found on a more timely basis.

We emphatically do not concur with the finding implication that OSRAP employees are not performing their identified duties and functions. The compilation program is designed to effectuate a valid product. While every effort is made to assure accuracy given the magnitude of the project and obstacles to overcome we agree that errors were made (on both sides) and will continue to strive to eliminate an future occurrences. We would further point out that what the auditor classifies as "error" is in fact a disagreement as to application of a standard and/or professional judgment.

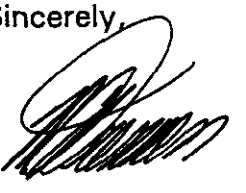
In closing, we acknowledge that improvements can always be made. With the issue of the new accounting system behind us, and a review and adjustment of the compilation procedures to be done the efficiency of both the OSRAP and the Legislative Auditor should improve and there is no reason to believe that the CAFR will be published past the statutory deadline in 1998. It is a fact that we continue to strive to provide a quality product. This is borne out by the fact that this office initiated GAAP based reporting, as well as the issuance of a Comprehensive Annual Financial Report (including compilation and review procedures), prior to any legislative requirement to do so. During the 1990's, the state received four Certificates of Achievement for financial reporting from the Government Finance Officers Association and an equal number of unqualified audit opinions. This could

not have been achieved if the internal systems, compilation and review, were deficient.

As required by OMB Budget Circular A-133 the contact persons regarding this finding are Mr. Howard Karlton (504)342-1092 and Mr. Whitman Kling (504) 342-7058.

Thank you for the opportunity to have responded to the proposed findings.

Sincerely,



Mark C. Drennen
Commissioner of Administration

MCD\WJK\sm

Appendix C

Findings and Recommendations Index by State Agency

Appendix C

STATE OF LOUISIANA
Findings and Recommendations
Index by State Agency

Page No.

AGRICULTURE AND FORESTRY, DEPARTMENT OF
Noncompliance With the Louisiana Procurement Code 11

BOARD OF ELEMENTARY AND SECONDARY EDUCATION
Improper Payroll Records and Expenditures for
Federal Grant Program 87

DELGADO COMMUNITY COLLEGE
Excess Reimbursement of Expenditures in the
Minority Worker Training Program 106

EDUCATION, DEPARTMENT OF
Improper Administration of Joint Conferences 88
Inadequate Administration of Minimum Foundation Program 13
Inadequate Administration of the Church-Based Tutorial Network 107
Inadequate Controls for Federal Cash Management 104
Inadequate Uniform Payroll System Controls 16
Lease Payment Advanced Improperly 17, 90
Unallowable Costs in Special Education Program 91

EXECUTIVE DEPARTMENT
Improper Access to GFS Production Data
and Program Libraries 55
Improper Use of Nonrecurring Revenue 20
Inadequate Compilation Process 18
Inadequate Controls in State's Electronic
Data Processing Systems 52
Inadequate Fund Balance - Patients' Compensation Fund 31
Ineffective Internal Audit Function 50
Noncompliance With State's Movable
Property Regulations 22

GRAMBLING STATE UNIVERSITY
Federal Family Loan Limits 97
Federal Financial Reports 96, 123
Federal Perkins Loan Program 98
Federal Supplemental Educational Opportunity Grants 100
Grambling State University Foundation, Inc.,
Delinquent Accounts Receivable 56
Nursing Student Loan Program 124
Programmatic Review of Student Financial Aid 99

Appendix C

STATE OF LOUISIANA
Findings and Recommendations
Index by State Agency (Continued)

Page No.

GRAMBLING STATE UNIVERSITY (CONT.)
Satisfactory Academic Progress 97
Theft of Stipend Checks 85, 86
Timekeeping Records Not Certified 32

HEALTH AND HOSPITALS, DEPARTMENT OF
Audits of Federal Subrecipients and State
Contractors Not Obtained 77, 110
Cash Subsidy Program Procedures Not Always Followed 32
Electronic Data Processing Control Weaknesses 57,125
Failure to Reimburse Federal Share of Checks
Outstanding More Than 180 Days 112
Failure to Reimburse Federal Share of
Provider Overpayments 113
Laboratory Services Payment Errors 114
Medicaid Cash Management Errors 125
Medicaid Eligibility Determination Errors 115
Medicaid Third Party Liability Errors 118
Noncompliance With Payroll Regulations 33
Unfavorable Budget Variance 34

INSURANCE, DEPARTMENT OF
Improper Earning and Using of Leave
by Unclassified Employees 35

LOUISIANA SCHOOL FOR THE DEAF
Internal Controls Over Meal Counts 82

LOUISIANA STATE UNIVERSITY
MEDICAL CENTER (NEW ORLEANS)
Failure to Comply With Terms of Contracts and Agreements 36
Untimely Billing 57
Untimely Liquidation of Patient Account Credit Balances 58

MCNEESE STATE UNIVERSITY
Embezzlement at University Post Office 37

MEDICAL CENTER OF LOUISIANA AT NEW ORLEANS
Failure to Timely File Corrected Tax Forms 37
Failure to Verify the Claims Edit Listing 58
Inaccurate Patient Charges 59
Inadequate Controls Over Perpetual Inventories 60

Appendix C

STATE OF LOUISIANA
Findings and Recommendations
Index by State Agency (Continued)

Page No.

NATURAL RESOURCES, DEPARTMENT OF
Inaccurate Reporting of Mineral Income 38
Untimely Processing of Royalties 39

NORTHEAST LOUISIANA UNIVERSITY
Inadequate Controls Over Accounts Payable Disbursements 60
Inadequate Controls Over Athletic Revenues 61
Inadequate Controls Over Bookstore Cash 63
Inadequate Monitoring of Financial Position 64
Lack of Accountability Over Complimentary
Sporting Event Tickets 64

NORTHWESTERN STATE UNIVERSITY
Electronic Data Processing Control Weaknesses 66
Satisfactory Academic Progress Standards
Not Adequately Monitored 92
Student Financial Aid Deficiencies 93
Weaknesses in Controls Over Scholarships
and Other Awards 40

ORLEANS LEVEE DISTRICT
Inadequate Controls Over Professional Service Contracts 41
Possible Ethics Code Violation 44

PUBLIC HEALTH, OFFICE OF
Reconciliation of Food Instruments Not
Performed Within 150 Days 79
Untimely Billing of Infant Formula Rebates 83

PUBLIC SAFETY AND CORRECTIONS - CORRECTIONS SERVICES, DEPARTMENT OF
Improper Accumulation of Compensatory Leave 45
Wardens of Louisiana State Penitentiary and Dixon Correctional
Institute Do Not Live on Prison Grounds 67

PUBLIC SAFETY AND CORRECTIONS - PUBLIC SAFETY SERVICES, DEPARTMENT OF
Insufficient Controls Over Returned Checks 68

REVENUE, DEPARTMENT OF
Untimely Reconciliation of Protested Taxes 69

Appendix C

STATE OF LOUISIANA
Findings and Recommendations
Index by State Agency (Concluded)

Page No.

RISK MANAGEMENT, OFFICE OF
Internal Control Deficiencies Related to Claim Payments 70
Lack of Review of Original Documentation 72
Overstatement of Reserves for Claim Payments 46

SOCIAL SERVICES, DEPARTMENT OF
Attendance and Leave Records Not Maintained 47
Audit Reports Not Monitored 80, 119
Failure to Perform Cost Allocation Samples Timely 81, 120
Inadequate Documentation of Foster Care Payments 121
Inappropriate Reimbursement for Related Party Transactions 122

SOUTHERN UNIVERSITY AND A&M COLLEGE (BATON ROUGE)
Aid Exceeded Documented Need 102
Lack of Controls Over Football Ticket Revenue 72
Lack of Food Service Contracts 73
Satisfactory Academic Progress 100
Student Enrollment Status 101

SOUTHERN UNIVERSITY AT NEW ORLEANS
Lack of Controls Over Cash 74
Student Enrollment Status 103
Untimely Recording and Clearing of Travel Advances 48

SOUTHERN UNIVERSITY AT SHREVEPORT-BOSSIER CITY
Inadequate Internal Controls Over Perkins Loans Notes Receivable 105
Lack of Repayment of Unauthorized Student Loans 49

STATE EMPLOYEES GROUP BENEFITS PROGRAM
Electronic Data Processing Control Weaknesses 75

UNIVERSITY OF NEW ORLEANS
Inadequate Controls Over Receivables 76

W.O. MOSS REGIONAL MEDICAL CENTER
Inadequate Controls Over Food Instruments 84

Appendix D

Summary Schedule of Prior Federal Audit Findings

Appendix D

STATE OF LOUISIANA
Summary Schedule of Prior Federal Audit Findings

Page No.

CENTRAL LOUISIANA STATE HOSPITAL
Meal Counts Not Reconciled D-5

EDUCATION, DEPARTMENT OF
Untimely Bank Reconciliation D-9
Inadequate Monitoring of Professional Contract D-10
Lease Payment Advanced Improperly D-11
Time Distribution Records Not Maintained for Federal Grant Programs D-12
Title I Funds Improperly Distributed to Public Schools D-13
Inadequate Administration of the Church-Based Tutorial Program D-14

GRAMBLING STATE UNIVERSITY
Internal Control Structure Over the Nursing Student Loan Program D-16
Timely Submission of Nursing Student Loan Financial Status Report D-17
Drug-Free Schools and Communities Act Amendments of 1989 ..... D-18
Federal Family Education Loan and Perkins Loan Program Exit Interviews D-19
Federal Family Education Loans Program Applications D-20
Federal Family Education Loans Program Confirmation Reports D-21
Monitoring Students' Enrollment Status - Perkins Loans D-22
Notification to Lenders Between Submission of Student Confirmation Reports D-23
College Work-Study Conflicts D-24
Nursing Student Loan Program D-25

HEALTH AND HOSPITALS, DEPARTMENT OF
Recovery Home Loan Program Procedures Are Inadequate D-26
Provider Overpayments D-27
Cost Allocation Errors Noted D-28
Medicaid Cash Management Errors D-29
Medicaid Providers Not Audited Timely D-30

Appendix D

STATE OF LOUISIANA
Summary Schedule of Prior Federal Audit Findings
(Continued)

Page No.

HEALTH AND HOSPITALS, DEPARTMENT OF (CONT.)
Audits of Federal Subrecipients and
State Contractors Not Obtained D-31
Improper Contract Monitoring D-32
Inaccurate Accounting for Block Grant Expenditures D-33
Medicaid Eligibility Determination Errors D-34
Medicaid Third Party Liability Errors D-35

LOUISIANA STATE UNIVERSITY AND A&M COLLEGE (BATON ROUGE)
Inadequate Payroll Controls -
Job Training Partnership Act D-36

LOUISIANA TECHNICAL COLLEGE, SIDNEY N. COLLIER CAMPUS
Inadequate Support for Tuition
Revenue and Receivables D-37

LOUISIANA TECHNICAL COLLEGE, WEST JEFFERSON CAMPUS
Weak Controls Over Requests for Reimbursement D-38

NORTHWESTERN STATE UNIVERSITY
Student Payroll Control Weaknesses D-39
Satisfactory Academic Progress Standards
Not Adequately Monitored D-40
Overaward - Financial Need Exceeded D-41
FFEL Exit Counseling Not Documented/Performed D-42
FFEL Entrance Counseling Not Documented/Performed D-43

PUBLIC HEALTH, OFFICE OF
Dual Participation in Federal Programs D-44
Food Vendor Controls Not Developed D-45
Reconciliation of Food Instruments Not Performed D-46

Appendix D

STATE OF LOUISIANA
Summary Schedule of Prior Federal Audit Findings
(Continued)

Page No.

SOUTHERN UNIVERSITY SYSTEM
Drug-Free Schools and Communities Act Amendments of 1989 ..... D-47

SOUTHERN UNIVERSITY AND A&M COLLEGE (BATON ROUGE)
Crediting of Financial Aid to the Students' Accounts D-48
Federal Family Education Loan Program D-49
Notification to Lenders Between Submission of Student Confirmation Reports D-50
Pell Grant Calculations D-51
Refunds and Repayments to Title IV Programs D-52
Satisfactory Academic Progress D-53
Federal Work-Study Program D-54

SOUTHERN UNIVERSITY AT NEW ORLEANS
Cost of Attendance Calculations D-55
Federal Family Education Loan Exit Counseling D-56
Federal Family Education Loan Student Confirmation Reports D-57
Federal Pell Grant Program Eligibility D-58
Financial Aid Transcripts D-59
Notification to Lenders Between Submission of Student Confirmation Reports D-61
Pell Grant Calculations D-62
Refunds and Repayments to Title IV Programs D-63
Satisfactory Academic Progress D-64
Student Aid Reports Selected for Verification D-66
Ineligible Program Costs D-68
Federal Work-Study Program D-69

SOUTHERN UNIVERSITY AT SHREVEPORT-BOSSIER CITY
Inadequate Internal Controls Over Perkins Loans Notes Receivable D-70
Federal Financial Reports - Fiscal Operations Report and Application D-71
Federal Family Education Loan Student Confirmation Reports D-72

Appendix D

STATE OF LOUISIANA
Summary Schedule of Prior Federal Audit Findings
(Concluded)

Page No.

SOUTHERN UNIVERSITY AT SHREVEPORT-BOSSIER CITY (CONT.)
Federal Family Education Loans D-73
Matching of Federal Capital Contribution - Perkins Loan Program D-74
Notification to Lenders Between Submission of Student Confirmation Reports D-75
Pell Grant Calculations D-76
Refunds and Repayments to Title IV Programs D-78

TRANSPORTATION AND DEVELOPMENT, DEPARTMENT OF
Underbilling of Incidental Charges D-79

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

CENTRAL LOUISIANA STATE HOSPITAL

For the Year Ended June 30,1997

Finding Title: Meals Not Reconciled

Schedule (from '96 Single Audit Report): B

Page Number (from '96 Single Audit Report): 75

Reference Number (from attached schedule of findings): 96-B-75-clsh1

Program Name(s): National School Breakfast/Lunch Program

CFDA Number(s): 10.553 & 10.555

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

See Attached

The attached letter was submitted to management from the Dietary Department in response to the Legislative Auditor's findings, regarding meal counts. Phase I was implemented on 04-01-96. Phase II was implemented on 05-28-96. When Phase II was implemented, #4 & #5 of Phase I was discontinued because it was no longer needed. The "Point-of-Service Meal Count" forms work well.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Tina Darbonne

Phone Number: (318) 484-6343

M. J. "Mike" Foster, Jr.
GOVERNOR

STATE OF LOUISIANA
DEPARTMENT OF HEALTH AND HOSPITALS

Bobby P. Jindal
SECRETARY

Dietary Department 3/13/96

This report is in response to the Legislative Auditors' findings regarding meal counts. It was recommended by the auditors that reconciliations be made between counts at point of service and counts made on the units to insure that accurate counts are made and reported. In order to accomplish this, the Dietary Department has developed a plan of corrective action, in two phases, as follows:

PHASE I -

1. Replace current meal count form for Unit 8 (pink form attached) with two (2) new forms: 1) "Unit 8 Point-of-Service Meal Count", and 2) "Unit 8 Employee Meals" (forms attached).

2. At each meal, on form "Unit 8 Point-of-Service Meal Count", Nursing employees from each unit (8A, 8C, 8D) will record and verify, by signature, the unit census (actual number of patients on unit at time of meal), number of patients eating in the dining room, and number of trays for patients eating on the unit.

3. Regarding the 28 instances (22.58%) where the number of meals recorded at the point of service and the amount reported on the request for reimbursement were different: these discrepancies were due to mathematical errors made by the cooks. In the future, the School Lunch Manager (A.M. Food Service Coordinator), or her designee, will be responsible for calculating the daily meal counts and completing the "Unit 8 Point-of-Service Meal Count" form.

4. Nursing employees will continue to prepare daily reports indicating the name of each patient fed at each meal. However, it will now be required that these reports be submitted to the Dietary Office on a weekly basis, rather than monthly. The School Lunch Manager (A.M. Food Service Coordinator), or her designee, will then compare these Nursing reports of patient meals to the "Unit 8 Point-of-Service Meal Count" forms. Any discrepancies will be reported to the Production Dietitian who will discuss the matter with Nursing staff for reconciliation of the two reports prior to any reimbursement requests.

5. As an additional measure to insure that meal counts at point of service and meal counts recorded on the units are being checked and reconciled accurately, the Production Dietitian will, on a monthly basis, examine the meal count records for four (4) days, selected at random.

OFFICE OF MENTAL HEALTH • CENTRAL LOUISIANA STATE HOSPITAL
P. O. BOX 5031 • PINEVILLE, LOUISIANA 71361-5031
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"AN EQUAL OPPORTUNITY EMPLOYER"

In order to allow adequate in-service training time for Dietary and Nursing staff on the new forms and procedures, Phase I will not be implemented until Monday 04/01/96.

Regarding the 23 instances (18.55%) where the number of meals served exceeded the number of patients eligible for free meals, it was reported that, in 21 of these instances, the unit meal reports (by Nursing staff) indicated that more meals had been logged at the point of service than they actually had patients. The Dietary Department cannot be held totally responsible for these deficiencies, as justified below:

The number of meals logged at the point of service (on Dietary pink form "Unit 8 Satellite Kitchen", attached) was the actual number of meals served. These included the number of meals served to patients in the dining room, in addition to the number of trays prepared for patients eating on the units, as requested by Nursing staff. Whether or not the requested number of unit trays is accurate cannot be determined by Dietary staff at the time of the meal. If additional trays are ordered (such as for patients on pass, employees, etc.), causing the actual number of meals served to exceed the actual number of patients on the unit, Dietary staff would not be aware of this discrepancy. At this time, the Dietary Department must rely upon the Nursing Department to request an accurate number of unit trays which, with the number of meals served in the dining room, will correspond to Nursing staff's daily reports of the number of patients fed. Currently, the Dietary Department does not have access to these daily reports until the end of the month. According to our Production Dietitian, when these reports are received, they are being used only as a cross-reference for determining the number of eligible patients per month, not to verify meal counts.

In order to insure that meal counts are accurate, including the number of patient trays to the units, Phase II of the Dietary Department's plan of corrective action will be implemented as a control measure and will include the following:

PHASE II -

1. A tray card system will be implemented, whereby there will be a tray card for each patient, individualized to his/her diet order, food likes/dislikes, etc. Prior to each meal, the current (actual) census of each unit will be verified, and the number of patient tray cards will be reconciled to this census.

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Meal trays for patients eating in the dining room and carry-out meal trays prepared for patients eating on the units will not be served without a tray card. This will eliminate the possibility of duplicate meal trays for patients (such as a tray ordered and sent to patient on the unit but patient comes to dining room for meal), unnecessary meal trays to patients on units (such as trays for patients on pass, discharged patients, etc.), and any disallowed meal trays (such as trays for employees).

Any additional patient meal trays needed (such as for new admits, replacements for spilled trays, etc.) will be provided only with adequate and proper verification. A verification form will be developed for this purpose.

2. The daily "Patient Diet/Tray List" form and procedures will be revised to include verification signatures for diet orders, trays ordered to unit, meals eaten in dining room, patients on pass, etc.

The target date for implementation of Phase II is 05/01/96.

Submitted By: Deborah LaBorde, LDN, R.D.
Deborah LaBorde, LDN, R. D.
Chief Dietitian

3/13/96
Date

Attachments (3)

OFFICE OF MENTAL HEALTH • CENTRAL LOUISIANA STATE HOSPITAL
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SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Louisiana Department of Education

Finding Title: Untimely Bank Reconciliation

Schedule (from 96 Single Audit Report): Schedule B

Page Number (from 96 Single audit Report): Page 76

Reference Number (from attached schedule of findings): 96-B-76-edu1

CFDA Number(s): 17.250 and 84.063

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The Bureau of Internal Audit (BIT) has assumed the responsibility of reconciling the Federal Pell Grant, Teacher Certification, and travel imprest accounts effective July 1, 1996. The Job Training Partnership Act imprest account was closed effective June 30, 1996, and the seed money returned to the state Treasury. This account will no longer be used. The bank reconciliations of the Federal Pell Grant, Teacher Certification, and travel imprest account are currently up to day.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms.(1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Charles J. Fabre

Phone Number: (504) 342-3764

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Louisiana Department of Education

Finding Title: Inadequate Monitoring of Professional Contract

Schedule (from 96 Single Audit Report): Schedule D

Page Number (from 96 Single audit Report): Page 140

Reference Number (from attached schedule of findings): 96-D-140-edu3

CFDA Number(s): 84.181

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

Effective January 1, 1997 the Office of Special Education Services (OSES) began monitoring the time and attendance along with other activities of the contractor/employee. The individual will be transferred to the Governor's office under the Division of Administration effective October 1, 1997. In the future, the OSES will monitor all contracts to ensure compliance with contractual obligations.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms.(1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Charles J. Soileau

Phone Number: (504) 342-3764

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Louisiana Department of Education

Finding Title: Lease Payment Advanced Improperly

Schedule (from 96 Single Audit Report): Schedule D

Page Number (from 96 Single audit Report): Page 142

Reference Number (from attached schedule of findings): 96-D-142-edu4

CFDA Number(s): 84.027

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The annual lease payment due October 1996 to the Louisiana School for the Deaf (LSD) has been processed and the Department was unable to recover the unexpired portion of the lease payment. The Office of Special Education Services (ODES) has changed the method of payment from an annual to a monthly basis for Fiscal Year 1997-98 with payment due each month.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms.(1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Charles J. Fuda

Phone Number: (504) 342-3764

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Louisiana Department of Education

Finding Title: Time Distribution Records Not Maintained for Federal Grant Programs

Schedule (from 96 Single Audit Report): Schedule D

Page Number (from 96 Single audit Report): Page 144

Reference Number (from attached schedule of findings): 96-D-144-edu6

CFDA Number(s): 17 Federal Grants

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

This finding has been corrected. Effective September 1996, the Department began to require all employees whose labor is allocated across federal cost centers and/or charged to different federal funded sources to use Personnel Activity Reports. This report was patterned after an example provided by the U.S. Office of Management and Budgets (OMB) regarding time distribution.

Employees who work on a single federal award or cost object are required to support charges for their salaries and wages. This is done by completing a semiannual certification signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee.

The Bureau of Internal Audit will provide ongoing monitoring to ensure proper compliance.

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Preparer's Signature: Charles J. Lahon

Phone Number: (504) 342-3764

REVISED

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Louisiana Department of Education

Finding Title: Title I Funds Improperly Distributed to Public Schools

Schedule (from 96 Single Audit Report): Schedule E

Page Number (from 96 Single audit Report): Page 161

Reference Number (from attached schedule of findings): 96-E-161-edu9

CFDA Number(s): 84.010

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The SDE, Title I Administrator has not instructed the local school districts to obtain waivers from the U.S. Department of Education for schools served out of ranking order for this finding. However, the SDE will discuss corrective actions with local school districts to resolve this finding. As part of its reorganization, the SDE will create a Grants and Contracts Compliance section. One of the functions this section will serve is to monitor the SDE federal programs to ensure compliance with federal regulations. The SDE anticipates this new function will preclude this kind of occurrence in the future.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms.(1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Dudley J Goodlett Jr

Phone Number: 342-3764

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Louisiana Department of Education

Finding Title: Inadequate Administration of the Church-Based Tutorial Program

Schedule (from 96 Single Audit Report): Schedule F

Page Number (from 96 Single audit Report): Page 195

Reference Number (from attached schedule of findings): 96-F195-edu10

CFDA Number(s): 93.575

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The Department of Education has corrected the findings as follows:

- The Church-Based Tutorial Program (CBTP) has developed new registration forms for those sites which must be registered. Sites requiring licensing must be in compliance or will be removed from the program. These procedures became effective March 1997.
- CBTP will not suggest nor require tutoring sites to make purchases from a specific vendor.
- The surplus moveable property items transferred from the Department to one of the churches was returned back to the Department. The SDE will make every effort to ensure movable property items are not improperly transferred from the custody of the SDE.
- Student enrollment documents have been revised to ensure all required items relative to determining student eligibility are included. These new forms were implemented in the 1996-97 Fiscal Year.
- The CBTP discontinued advance payments as of June 1996.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms.(1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Charles J. Graham

Phone Number: (504) 342-3764

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1997

Finding Title: Internal Control Structure Over the Nursing Student Loan Program

Schedule : G

Page Number: 204

Reference Number: 96-G-204-gramb1

Program Name (s): Nursing Student Loan Program

CFDA Number: 93.364

Status of Finding

Corrective actions have been taken to resolve the audit finding.

Preparer's Signature:

Phone Number : (318) 274-6677

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1997

Finding Title: Timely Submission of Nursing Student Loan Financial Status Report

Reference Number: 96-G-206-gramb2

Program Name (s): Nursing Student Loan Program

CFDA Number: 93.364

Status of Finding

Corrective actions have been taken to correct this audit finding.

Preparer's Signature: Alvina Thomas

Phone Number : (318) 274-6677

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1997

Finding Title: Drug-Free Schools and Communities Act Amendments of 1989

Schedule : G

Page Number: 208

Reference Number: 96-G-208-gramb3

Program Name (s):

CFDA Number:

Status of Finding

The University currently is implementing procedures for the annual distribution in writing its' Policy on Drug-Free Workplace. The policy will be distributed annually to all employees and students.

Preparer's Signature: Mark L. Dunn

Phone Number : (318) 274-6406

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1997

Finding Title: Federal Family Education Loan and Perkins Loan Program Exit Interviews

Schedule : G

Page Number: 208

Reference Number: 96-G-208-gramb4

Program Name (s): Federal Family Education Loan and Perkins Loan Program Exit Interviews

CFDA Number: 84.032 and 84.038

Status of Finding

Corrective actions have been taken to resolve this audit finding.

Preparer's Signature:

Phone Number : (318) 274-6677

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1997

Finding Title: Federal Family Education Loans Program Applications

Schedule : G

Page Number: 209

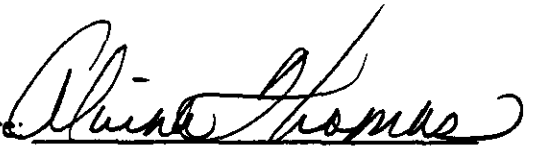
Reference Number: 96-G-209-gramb5

Program Name (s) : Federal Family Education Loans Program

CFDA Number: 84.032

Status of Finding

The Financial Aid Office has implemented procedures whereby staff members are more accountable of information provided on loan applications.

Preparer's Signature: 

Phone Number : (318) 274-6677

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1997

Finding Title: Federal Family Education Loans Program Confirmation Reports

Schedule : G

Page Number: 209

Reference Number: 96-G-209-gramb6

Program Name (s) : Federal Family Education Loans Program

CFDA Number: 84.032

Status of Finding

The University has established procedures to electronically transmit the report within the prescribed timelines.

Preparer's Signature:

Phone Number : (318) 274-6677

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1997

Finding Title: Monitoring Students' Enrollment Status-Perkins Loans

Schedule : G

Page Number: 209

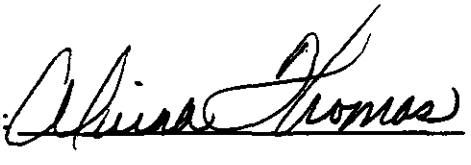
Reference Number: 96-G-209-gramb7

Program Name (s) Federal Perkins Loan Program-Federal Capital Contributions

CFDA Number: 84.038

Status of Finding

The University has hired a qualified individual who will monitor the enrollment of students awarded Perkins Loans.

Preparer's Signature: 

Phone Number : (318) 274-6677

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1997

Finding Title: Notification to Lenders Between Submission of Student Confirmation Reports

Schedule : G

Page Number: 210----------

Reference Number: 96-G-210-gramb8

Program Name (s) Federal Family Education Loans Program

CFDA Number: 84.038

Status of Finding

Corrective actions have been taken to resolve this audit finding.

Preparer's Signature:

Phone Number : (318) 274-6677

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1997

Finding Title: College Work-Study Conflicts

Schedule : G

Page Number: 221

Reference Number: 96-G-221-gramb9

Program Name (s) : Federal College Work Study Program

CFDA Number: 84.033

Status of Finding

Students' class schedules are listed on the students' payroll timesheet which prevent students from working and reporting hours during their class time. Additionally, the coordinator of the college work-study program monitors the work schedules and the Director verifies timesheets prior to approval.

Preparer's Signature:

Phone Number : (318) 274-6677

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Grambling State University

For the Year Ended June 30, 1997

Finding Title: Nursing Student Loan Program

Schedule : G

Page Number: 221

Reference Number: 96-G-221-gramb10

Program Name (s) : Nursing Student Loan Program

CFDA Number: 93.364

Status of Finding

The University has implemented aggressive collection procedures to strengthen their collection. The University will contact representatives from the Department of Health and Human Services to ascertain information on action required and to obtain technical assistance to activate the loan program.

Preparer's Signature

Phone no. (318) 274-6677

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1997

Finding Title: Recovery Home Loan Program Procedures are Inadequate

Schedule (from '96 Single Audit Report): B

Page Number (from '96 Single Audit Report): 76

Reference Number (from attached schedule of findings): 96-B-76-dhh1

Program Name(s): Block Grants for Prevention and Treatment of Substance Abuse

CFDA Number(s): 93-959

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

CORRECTIVE ACTION TAKEN

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern

Phone Number: 342-4379

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1997

Finding Title: Provider Overpayments

Schedule (from '96 Single Audit Report): B

Page Number (from '96 Single Audit Report): 77

Reference Number (from attached schedule of findings): 96-B-77-dhh2

Program Name(s): Medical Assistance Program

CFDA Number(s): 93-778

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

All procedure codes except for 81002, 81003 vs 91015 and 82977 were placed in appropriate edits 11/95; these four codes are presently being placed in edits and recovery will be made for any overpayments. Subsequent to work on the edits in 1995, payments have been recovered as appropriate.

We currently have ongoing reviews and/or are withholding payments concerning providers in the "Lab Project". A few cases are in litigation and a few cases have been closed and/or have never been opened as total payments did not warrant review.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern

Phone Number: 342-4379

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1997

Finding Title: Cost Allocation Errors Noted

Schedule (from '96 Single Audit Report): D

Page Number (from '96 Single Audit Report): 147

Reference Number (from attached schedule of findings): 96-D-147-dhh3

Program Name(s): Block Grants for Prevention and Treatment of Substance Abuse

CFDA Number(s): 93-959

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

CORRECTIVE ACTION TAKEN

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern

Phone Number: 342-4379

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1997

Finding Title: Medicaid Cash Management Errors

Schedule (from '96 Single Audit Report): D

Page Number (from '96 Single Audit Report): 149

Reference Number (from attached schedule of findings): 96-D-149-dhh4

Program Name(s): Medical Assistance Program

CFDA Number(s): 93-778

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

CORRECTIVE ACTION TAKEN

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern

Phone Number: 342-4379

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1997

Finding Title: Medicaid Providers Not Audited Timely

Schedule (from '96 Single Audit Report): D

Page Number (from '96 Single Audit Report): 150

Reference Number (from attached schedule of findings): 96-D-150-dhh5

Program Name(s): Medical Assistance Program

CFDA Number(s): 93-778

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

CORRECTIVE ACTION TAKEN

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern

Phone Number: 342-4379

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1997

Finding Title: Audits of Federal Subrecipients and State Contactors Not Obtained

Schedule (from '96 Single Audit Report): E

Page Number (from '96 Single Audit Report): 164

Reference Number (from attached schedule of findings): 96-E-164-dhh7

Program Name(s): Block Grants for Prevention and Treatment of Substance Abuse

CFDA Number(s): 93-959

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The Undersecretary issued a letter to all Departmental staff reaffirming the policy regarding audits. The Department is continuing to monitor the progress made in this area in order to achieve total compliance.

NOTE: *Use this form to present the status of any findings that are listed for your agency* on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern

Phone Number: 342-4379

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1997

Finding Title: Improper Contract Monitoring

Schedule (from '96 Single Audit Report): E

Page Number (from '96 Single Audit Report): 165

Reference Number (from attached schedule of findings): 96-E-165-dhh8

Program Name(s): Block Grants for Prevention and Treatment of Substance Abuse

CFDA Number(s): 93-959

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

CORRECTIVE ACTION TAKEN

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern

Phone Number: 342-4379

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1997

Finding Title: Inaccurate Accounting for Block Grant Expenditures

Schedule (from '96 Single Audit Report): E

Page Number (from '96 Single Audit Report): 167

Reference Number (from attached schedule of findings): 96-E-167-dhh9

Program Name(s): Block Grants for Prevention and Treatment of Substance Abuse

CFDA Number(s): 93-959

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

CORRECTIVE ACTION TAKEN

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern

Phone Number: 342-4379

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1997

Finding Title: Medicaid Eligibility Determination Errors

Schedule (from '96 Single Audit Report): E

Page Number (from '96 Single Audit Report): 169

Reference Number (from attached schedule of findings): 96-E-169-dhh10

Program Name(s): Medical Assistance Program

CFDA Number(s): 93-778

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

Corrective action measures were implemented 11/96. Case reviews are conducted by supervisory staff and Regional Administrators are required to report findings on a quarterly basis. Corrective action meetings and trainings are conducted as necessary.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern

Phone Number: 342-4379

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and Hospitals

For the Year Ended June 30, 1997

Finding Title: Medicaid Third Party Liability Errors

Schedule (from 96 Single Audit Report): E

Page Number (from 96 Single Audit Report): 171

Reference Number (from attached schedule of findings): 96-E-171 dhh11

Program Name(s): Medical Assistance Program

CFDA Number(s): 93-778

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

Errors were attributed to DSS insufficiencies. DSS was notified of the auditors findings 10/16/96 and made an addendum to their application 3/97 to include the assignment of Rights language.

DSS was informed at the same time of the problems of non-transmittal of TPL information to MMIS and failure to gather appropriate TPL information and DSS has taken corrective action by instituting additional training of OFS staff and additional case reading by supervisors and OFS has not identified a trend to indicate continuation or an increase in these problems.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ken Corkern

Phone Number: 342-4379

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Louisiana State University (Baton Rouge)

For the Year Ended June 30, 1997

Finding Title: Inadequate Payroll Controls - Job Training Partnership Act

Schedule (from '96 Single Audit Report): B

Page Number (from '96 Single Audit Report): 79

Reference Number (from attached schedule of findings): 96-B-79-Isub1

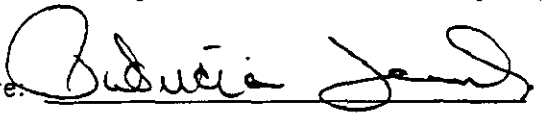
Program Name(s): JTPA

CFDA Number(s): 17.250

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

Louisiana State University has issued a revised policy statement for transient (now referred to as "contingent") employees. The revised policy states, "The contingent employee must certify the actual hours of service rendered by signing a time record or a timesheet that includes the correct number of hours of attendance on duty. This timesheet must also be certified by the contingent appointee's supervisor." Also, the University's Payroll Office presented seminars on August 25 and 26, 1997, which covered compliance with Civil Service Rule 15.2.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present one finding per page. If you have two findings to present, then you should use two forms (one for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature:  August 29, 1997

Phone Number: (504) 388-2204

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

LTC - SIDNEY N. COLLIER CAMPUS

For the Year Ended June 30,1997

Finding Title: Inadequate Support for Tuition Revenue and Receivables

Schedule (from '96 Single Audit Report): B-82

Page Number (from '96 Single Audit Report):

Reference Number (from attached schedule of findings): 96-B-82 ltcsnc1

Program Name(s):

CFDA Number(s):

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

We have improved our accounting so that tuition payments and tuition receivables will be listed on separate documents. Therefore, tuition receivables can be evaluated on a quarterly basis and the actutal amount outstanding can be readily determined. We have directed responsible staff that their collection records be improved by listing tuition payments and receivables on separate documents. This will enable this agency to determine the amount of tuition collected and receivables by viewing each document.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature:

Phone Number: (504)942-8333 X132

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

LTC-West Jefferson Campus

For the Year Ended June 30,1997

Finding Title: Weak Controls over Request for Reimbursement

Schedule (from '96 Single Audit Report): B-83

Page Number (from '96 Single Audit Report): 3

Reference Number (from attached schedule of findings): 96-R-83-ltcwjl

Program Name(s): Instructional

CFDA Number(s): _____

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

This finding relates to the timely request for reimbursement of JTPA billings. The finding bascially said thaf reimbursements should be made on a monthly basis. As a policy, all outside agencies are now billed on a monthly basis to minimize the delay in payment.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: _____

Phone Number: (504) 361-6470

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

NORTHWESTERN STATE UNIVERSITY

For the Year Ended June 30, 1997

Finding Title: Student Payroll Control Weaknesses

Schedule (from '96 Single Audit Report): B

Page Number (from '96 Single Audit Report): 81

Reference Number (from attached schedule of findings): 96-B-81-nsu2

Program Name(s): Federal Work-Study Program

CFDA Number(s) : 84.033

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The Financial Aid Student Employment Office has developed and initiated new procedures to segregate the internal controls over student payroll and disbursement of funds to students. All duties, from assigning work positions to disbursement of student checks, have been assigned to different employees within the financial aid office to ensure this segregation. This plan was put into action in the June 1996 summer session.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature:

Phone Number: 318 357 5066

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

NORTHWESTERN STATE UNIVERSITY

For the Year Ended June 30, 1997

Finding Title: Satisfactory Academic Progress Standards Not Adequately Monitored

Schedule (from '96 Single Audit Report): E

Page Number (from '96 Single Audit Report): 181

Reference Number (from attached schedule of findings): 96-E-181-nsu7

Program Name(s): Federal Pell Grant Program; Federal Family Education Loan Program; Federal Supplemental Educational Opportunity Grants Program; and the Federal Work-Study Program

CFDA Number(s) : 84.063; 84.032; 84.007; 84.033

Status of Finding (include corrective action planned and anticipated completion date, if applicable):
The University has taken the following action to insure Satisfactory Academic Progress Standards are adequately monitored:

1. Implemented an appeals process which requires all SAP Appeals Applications to be approved or denied by the Financial Aid Appeals committee.
2. Developed a revised SAP Policy which will be effective the Fall Semester 1997.
3. Implemented a computer determination program which evaluates academic progress using qualitative and quantitative measures.
4. Implemented a method of calculating cumulative GPA's requiring the inclusion of all hours pursued after the Fall Semester 1995.

Additionally, the University is currently seeking clarification from the Department of Education Regional Office of Student Financial Assistance as to the application of professional judgment and special circumstances when determining SAP. The University is also seeking confirmation from the regional office of the acceptability of the quantitative and qualitative measures of the SAP Policy.

Clarification is also being sought to determine if the University is required to recalculate cumulative GPA's to include all hours pursued prior to the Spring Semester 1996.

The University is currently reviewing appropriate records to insure all transfer hours attempted or pursued is included in the determination of SAP. The above action should correct deficiencies in the application of SAP guidelines which resulted in the improper disbursement of $12,322.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Neal Fulton

Phone Number: 318-357-5286

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

NORTHWESTERN STATE UNIVERSITY

For the Year Ended June 30, 1997

Finding Title: Overaward - Financial Need Exceeded

Schedule (from '96 Single Audit Report): E

Page Number (from '96 Single Audit Report): 181

Reference Number (from attached schedule of findings): 96-E-181-nsu5

Program Name(s): Federal Family Education Loan Program

CFDA Number(s) : 84.032

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The university is currently waiting on the Final Determination Letter in regard to the Program Review finding stated in this finding. The university initiated a new electronically calculated process to determine eligibility and feed the loan amount to the award screen for further automated processing. This process is used in the initial processing of a student loan. When corrective actions are needed, these corrections are made manually by a financial aid administrator.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature:

Phone Number: 318 357 5066

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

NORTHWESTERN STATE UNIVERSITY

For the Year Ended June 30, 1997

Finding Title: FFEL Exit Counseling Not Documented/Performed

Schedule (from '96 Single Audit Report): E

Page Number (from '96 Single Audit Report): 183

Reference Number (from attached schedule of findings): 96-E-183-nsu9

Program Name(s): Federal Family Education Loan Program

CFDA Number(s) : 84.032

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The university is currently waiting for the Final Determination Letter in regard to the Program Review finding stated in this finding. The university's financial aid office requires students who resign to have their resignation papers signed in the financial aid office prior to the official resignation being completed. These students are checked by the financial aid office to determine if they have received a student loan, and if they have been awarded a student loan they are given their exit interview at that time. If the resignation is not in person, the exit interview information is mailed to the student with instructions and information about repayment and students are instructed to return the signed exit interview form to the financial aid office for inclusion in their financial aid folder. The students sited in this finding were all mailed exit interview information at the time of the finding.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: [signature]

Phone Number: 318 357 5066

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

NORTHWESTERN STATE UNIVERSITY

For the Year Ended June 30, 1997

Finding Title: FFEL Entrance Counseling Not Documented/Performed

Schedule (from '96 Single Audit Report): E

Page Number (from '96 Single Audit Report): 183

Reference Number (from attached schedule of findings): 96-E-183-nsu 10

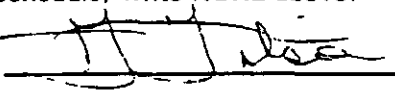
Program Name(s): Federal Family Education Loan Program

CFDA Number(s) : 84.032

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The university is currently waiting for the Final Determination Letter in regard to the Program Review finding stated in this finding. The university financial aid office is requiring students, who require an entrance interview on their loan, to have that interview prior to the student's loan check being transferred to the Cashier's Office for distribution. Students who receive their entrance interview are coded on their loan screen that they have received their interview. This code prints on the loan disbursement sheet so the loan clerk can hold those checks for students who have not received the required entrance interview. Once the interview is done and recorded on the loan screen, these checks can be forwarded to the Cashier's Office for disbursement.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: 

Phone Number: 357-5066

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and hospitals - Office of Public Health

For the Year Ended June 30,1997

Finding Title: Dual Participation in Federal Programs

Schedule (from '96 Single Audit Report): E

Page Number (from '96 Single Audit Report): 186

Reference Number (from attached schedule of findings): 96-E-186-oph 2

Program Name(s): 1) Commodity Supplemental Food Program
2) Special Supplemental Nutrition for Women, Infants and Children (WIC)

CFDA Number(s): 1) 10.565 2) 10.557

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

We are currently receiving a Dual Participation Report from the mainframe. The report is researched by WIC staff and letters are sent out informing both CSFP and the WIC sites of the dual participants. A competent Professional Authority (CPA) then determines the severity of the action. In most cases, the participant is suspended for 1-3 months from both Programs. A copy of all letters sent are kept on file by OPH.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Nancy M Rhoad

Phone Number: 504-568-5065

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and Hospitals - Office of Public Health

For the Year Ended June 30, 1997

Finding Title: Food Vendor Controls Not Developed

Schedule (from '96 Single Audit Report): B

Page Number (from '96 Single Audit Report): 81

Reference Number (from attached schedule of findings): 96-B-81-oph 1

Program Name(s): Special Supplemental Nutrition for Women, Infants, and Children (WIC)

CFDA Number(s): 10.557

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

OPH has developed a procedure to monitor the food vendors to ensure that the vendors are charging for food packaged in accordance with WIC's Grocer's Price Report Sheet. A report is generated monthly. Any new vendor whose reported prices are 10% above the parish mean is requested to lower their prices. If they fail to comply, they are taken off the program. Letters have already been sent to vendors based on this report.

Another report is also generated that identifies vendors who charge above the maximum price based on reported food costs and actual redemption. This report will be used to bill vendors. We already have received this report. At this point we are researching their accuracy.

The Legislative Auditor noted a "wide difference in amounts that food vendors charge for the same food packages." There are many legitimate contributing factors to this. However, the safeguards we now have in place should reduce the price differences to some extent.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Henry M Klimik

Phone Number: 504-568-5065

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Department of Health and Hospitals - Office of Public Health

For the Year Ended June 30,1997

Finding Title: Reconciliation of Food Instruments Not Performed

Schedule (from '96 Single Audit Report): E

Page Number (from '96 Single Audit Report): 186

Reference Number (from attached schedule of findings): 96F-186-oph 3

Program Name(s): Special Supplemental Nutrition for Women, Infants and Children (WIC)

CFDA Number(s): 10.565

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

OPH has recently completed uploading all data from all clinic sites for the period August 1, 1995 to present. In researching the reason for the large numbers of unreconciled, we learned that if the bank tape (redemption information) was loaded onto the mainframe prior to clinic issuance information, none of the food instruments issued at the site would be reconciled. In other words, the computer program was set up to require issuance information prior to redemption information. The reprogramming has been completed. All sites have been re-uploaded and we have seen a dramatic decrease in unreconciled food instruments. Those that remain unreconciled will be researched at the clinic level. We are currently researching the remaining drafts.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Henry M Klenk

Phone Number: 504-568-5065

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University System

For the Year Ended June, 30, 1997

Finding Title: Drug-Free Schools and Communities Act Amendments of 1989

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 210

Reference Number (form attached schedule of findings): 96-G-210-susyst1

Program Name(s): Compliance

CFDA Number(s): N/A

Status of Finding (Include corrective action planned and anticipated completion date, if applicable):
Corrective action taken.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Velon E. White

Phone Number: 771-5550

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern Univesity A&M College at Baton Rouge

For the Year Ended June, 30, 1997

Finding Title: Crediting of Financial Aid to Student's Accounts

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 211

Reference Number (form attached schedule of findings): 96-G211-subr1

Program Name(s): Federal Family Education Loans

CFDA Number(s): 84.032

Status of Finding (Include corrective action planned and anticipated completion date, if applicable):
Corrective action taken.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Cynthia L. Farmer

Phone Number: 771-2790

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University A&M College at Baton Rouge

For the Year Ended June, 30, 1997

Finding Title: Federal Family Education Loan Program

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 211

Reference Number (form attached schedule of findings): 96-G-211-subr2

Program Name(s): Federal Family Education Loan Program

CFDA Number(s): 84.032

Status of Finding (Include corrective action planned and anticipated completion date, if applicable):
Corrective action taken.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Cynthia L. Turner

Phone Number: 771-2790

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University A&M College at Baton Rouge

For the Year Ended June, 30, 1997

Finding Title: Notification to Lenders Between Submission of Student Confirmation Report

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 212

Reference Number (form attached schedule of findings): 96-G-212-subr3

Program Name(s): Federal Family Education Loan

CFDA Number(s): 84.032

Status of Finding (Include corrective action planned and anticipated completion date, if applicable):
Corrective action completed June 30, 1997.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Karma L. Allen

Phone Number: (504) 771-5050

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University A&M College at Baton Rouge

For the Year Ended June, 30, 1997

Finding Title: Pell Grant Calculations

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 212

Reference Number (form attached schedule of findings): 96-G-212-subr4

Program Name(s): Pell Grant

CFDA Number(s): 84.063

Status of Finding (Include corrective action planned and anticipated completion date, if applicable):
Corrective action taken.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Loyatheia L Turner

Phone Number: 771-2790

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University A&M College at Baton Rouge

For the Year Ended June, 30, 1997

Finding Title: Refunds and Repayments to Title IV Programs

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 213

Reference Number (form attached schedule of findings): 96-G-213-subr5

Program Name(s): Federal Pell, Federal SEOC, Federal Work Study, FFE Loan

CFDA Number(s): 84.063, 84.007, 84.033, 84.032

Status of Finding (Include corrective action planned and anticipated completion date, if applicable):
Corrective action taken.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Cynthia L Turner

Phone Number: 771-2790

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University A&M College at Baton Rouge

For the Year Ended June, 30, 1997

Finding Title: Satisfactory Academic Progress

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 213

Reference Number (form attached schedule of findings): 96-G-213-subr6

Program Name(s): Federal Pell, Federal SEOG, Federal Work Study Loans

CFDA Number(s): 84.063, 84.007, 84.033, 84.032

Status of Finding (Include corrective action planned and anticipated completion date, if applicable):
A new policy has been implemented that includes all Federal requirements for the 1997-98 academic period.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Cynthia L. Garner

Phone Number: 771-2790

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University A&M College at Baton Rouge

For the Year Ended June, 30, 1997

Finding Title: Federal Work Study Program

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 222

Reference Number (form attached schedule of findings): 96-G-222-subr7

Program Name(s): Federal Work Study

CFDA Number(s): 84.033

Status of Finding (Include corrective action planned and anticipated completion date, if applicable):
Corrective action taken.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Cynthia L. Ratcliff

Phone Number: 771-2796

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at New Orleans

For the Year Ended June 30,1997

Finding Title: Cost of Attendance Calculations

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 214

Reference Number (from attached schedule of findings): 96-G-214-SUNOi

Program Name(s): Federal Family Education Loan Program

CFDA Number(s): 84.032

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The University will adhere to the established procedures for calculating and reporting the students' cost of attendance. All financial aid counselors have been given instruction and training on the proper procedures to use when considering the dependent care allowance. Students will not be permitted to claim this allowance unless they provide documentation to show that dependent care expenses have been paid.

This measure, as monitored by the Director of Financial Aid (Ms. Ursula Shorty) will assist in providing complete and accurate information to support each calculation.

Project completion date: In-service training started in April 1997 and is ongoing.

NOTE: **Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.**

Preparer's Signature: Ursula Shorty

Phone Number: (504) 286-5017

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at New Orleans

For the Year Ended June 30,1997

Finding Title: Federal Family Education (FFEL) Exit Counseling

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 214

Reference Number (from attached schedule of findings): 96-G-214-SUNO2

Program Name(s): Federal Family Education Loan Program

CFDA Number(s): 84.032

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The University will adhere to established policies and procedures for providing exit conference material to borrowers prior to the time the students graduate, withdraw, reduce enrollment by less than half time or cease to re-enroll. All financial aid staff members have received additional instruction on student loan exit counseling procedures. The Registrar (Dr. Melvin Hodges) will provide the Financial Aid Office with a listing of prospective graduates in a timely manner. The Financial Aid Office has requested that the University implement a mandatory exit checklist for all prospective graduates to follow. This will aid in the University making available exit conference information and materials to students prior to graduation.

The Financial Aid Director and all of the financial aid counselors are required to sign student withdrawal and load adjustment documents. Exit conference materials will be distributed to and completed by the student at that time.

Project completion date: These corrective actions have been implemented as of December 1996. This process is currently on-going.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ursula J. Hardy

Phone Number: (504) 286-5017

SCHEDULE G-3

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at New Orleans

For the Year Ended June 30,1997

Finding Title: Federal Family Education Loan (FFEL) Confirmation Reports

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 215

Reference Number (from attached schedule of findings): 96-G-215-SUNO3

Program Name(s): Federal Family Education Loan Programs

CFDA Number(s): 84.032

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The University will adhere to established policies and procedures to ensure the accurate reporting of students' enrollment status information.

The computerized system previously established to handle the reporting of enrollment status information did not perform as anticipated. Therefore, the University reinstituded the manual system and is reviewing an automated system which will strengthen this procedure. As of this date, the new program is in preliminary and testing stages. The manual system that is in operation does allow for accurate review and decision making on student enrollment.

Project completion date: The new process went under review in April 1997 and is still in the implementation stages. The old procedures are ongoing.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ursula Shertz

Phone Number: (504) 286-5017

SCHEDULE B-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at New Orleans

For the Year Ended June 30,1997

Finding Title: Federal Pell Grant Program Eligibility

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 215

Reference Number (from attached schedule of findings): 96-G-215-SUNO4

Program Name(s): Federal Pell Grant Program

CFDA Number(s): 84.063

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The University will adhere to established procedures with respect to determining the eligibility of Pell Grant recipients. The University will consider only those students who have been identified as "eligible" for federal financial assistance as per: (1) Student Aid Report; (2) Students' Enrollment Status; and (3) Pell Grant Payment Schedule. Additional measures have been taken to prevent the awarding of Pell Grant funds to ineligible students. All counselors have been instructed to monitor with care, the processing of all aid to students. This procedure is expected to prevent the incorrect awarding of funds. For the students listed in this finding, the University has set up a receivable against the students and requested that the funds be returned.

Questioned costs $1,170: In this case, when a studentwas listed as being awarded $1,170 in Pell funds, the University did not draw down funds for this student because of ineligibility. The charge was made against the University and a receivable has been established. (The University maintains a listing of all students for which Pell funds are requested. This student's name was not listed.)

Project completion date: These measures were taken during the 1997 Spring Term and are ongoing.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: [signature]

Phone Number: (504) 286-5017

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at New Orleans

For the Year Ended June 30,1997

Finding Title: Financial Aid Transcripts

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 215

Reference Number (from attached schedule of findings): 96-G-215-SUNO5

Program Name(s): Title IV Programs

CFDA Number(s): 84.032, 84.033, 84.037, 84.038, 84.007, 84.063

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The University has implemented additional measures to ensure that all transfer students are properly identified and that Financial Aid Transcripts are on file as required. Students enrolling at the University, after having attended another institution, are blocked on the computer system via the Office of Admissions (Dr. Melvin Hodges). The block can only be lifted by the Director of Admissions, the Transcript Counselor or the financial aid counselors when a financial aid transcript (hard copy) is received. Students will be required to answer the question: Are You a Transfer Student? which is listed on the financial aid student's checklist. In addition, the student will be required to provide a listing of Colleges and Universities previously attended. No funds will be awarded until all transcripts are received and examined closely by the Financial Aid Office.

Financial aid counselors are also asked to get a verbal response to the question: Are You a Transfer Student?

The Financial Aid Office has requested that the Registrar block and code, on the computer system all students enrolling at the University after having attended another institution as a transfer student. The code should remain on the student's record for the duration of enrollment at the University. The block can only be

NOTE: **Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.**

Preparer's Signature: [signature]

Phone Number: (504) 286-5017

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at New Orleans

For the Year Ended June 30,1997

Finding Title: Financial Aid Transcripts

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 215

Reference Number (from attached schedule of findings): 96-G-215-SUNO5

Program Name(s): Title IV Programs

CFDA Number(s): _____

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

lifted by the Director of Admissions, Transcript Counselor or the Financial Aid Counselor after all transcripts (hard copy) have been received.

This is a shared responsibility of the Financial Aid Office and the Office of Admissions.

Questioned costs $1,990: The University subsequently received a financial aid transcript for the student noted. The student was listed as being in default by the previous institution. Funds expended are being refunded to the respective agencies and a receivable established against the student.

Project completion date: The new program was implemented during the 1996 Fall Term and is currently ongoing.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: _____

Phone Number: (504) 286-5017

SCHEDULE B-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at New Orleans

For the Year Ended June 30,1997

Finding Title: Notification to Lenders Between Submission to Student Confirmation Report

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 216

Reference Number (from attached schedule of findings): 96-G-216-SUNO6

Program Name(s): Federal Family Education Loan Program

CFDA Number(s): 84.032

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The University has established procedures to ensure that proper notification is provided to lenders between submission of SSCRs. The current process requires all financial aid counselors to sign student withdrawal and load adjustment forms. In addition, student enrollment status reports are being provided to the Financial Aid Office by the Registrar on a more frequent basis between submission of SSCRs.

Information gathered from this process allows for adequate assessment, provides for timely preparation of the notice to lender forms, and ensures that proper notification is presented to lenders in a timely manner.

The Financial Aid Director and all financial aid counselors are required to sign student withdrawal and load adjustment forms. Exit conference materials will be distributed to and completed by the student at this time. Information gathered from the process will allow for timely preparation of the notice to lender forms and ensure timely and proper notification to lenders.

Project completion date: The process is currently on-going.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: [signature]

Phone Number: (505) 286-5017

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at New Orelans

For the Year Ended June 30,1997

Finding Title: Pell Grant Calculations

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 216

Reference Number (from attached schedule of findings): 96-G-216-SUNO7

Program Name(s): Federal Pell Grant Program

CFDA Number(s): 84.063

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The University will adhere to established procedures and ensure that the cost of attendance, enrollment status, and the proper amounts from the Pell Grant schedule are utilized when computing Pell Grant awards.

The financial aid counselors have been instructed to carefully monitor the processing and awarding of aid in order to prevent errors as noted in this finding.

Questioned costs $880: The University is in the process of awarding additional Pell funds to one student who was under awarded ($1,185), and reimbursing the Federal Grant Program for funds ($2,065) that were over awarded to one student. A receivable is being established against the student that was over awarded.

Project completion date: In-service training started in December 1996 and is on-going.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: [signature]

Phone Number: (504) 286-5017

SCHEDULE B-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at New Orleans

For the Year Ended June 30,1997

Finding Title: Refund and Repayments to the Title IV Programs

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 217

Reference Number (from attached schedule of findings): 96-G-217-SUNO8

Program Name(s): Title IV Programs

CFDA Number(s): 84.032, 84.033, 84.037, 84.038, 84.007, 84.063

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

During Mid 1995-96, the University purchased software to assist in the calculation of repayments and refunds. The software is currently being used and provides the actual calculation of funds to be returned to students and the Title IV Programs. After calculations are made, funds are returned to students and/or to the appropriate agencies.

Responsible person: Mr. Gerald Williams, Comptroller and Mrs. Rosie Reed.

Questioned cost $9,635: Refunds for twenty-four (24) students were calculated correctly but were not processed and remitted to the Title IV Programs. The Federal Pell Grant Program Decrease Award Report has been prepared to reflect a decrease in the University's authorization for the 1995-96 Award Year.

NOTE: **Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.**

Preparer's Signature: [signature]

Phone Number: (504) 286-5017

SCHEDULE B-3

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at New Orleans

For the Year Ended June 30,1997

Finding Title: Satisfactory Academic Progress

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 217

Reference Number (from attached schedule of findings): 96-G-217-SUNO9

Program Name(s): Title IV Program

CFDA Number(s): 84.032, 84.033, 84.037, 84.038, 84.063, 84.007

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The University will follow the required policies and procedures established for monitoring the academic status of studnet applying for financial aid. The standards and practices governing those procedures at the University are in keeping with Title IV regulations. Section 668.7(c).

Students having a need to have Satisfactory Progress (SAP) addressed must file a written appeal with the Financial Aid Appeals Committee Chairman. The three students in question were granted aid by the Financial Aid Appeals Committee. Copies of their approvals were faxed to the auditors for review. While proper documentation was not contained in the students' folders, the University has indeed adhered to its own policies in awarding financial aid to the three (3) students in questions.

Financial aid Counselors have been instructed to make certain that all students who received financial aid through the appeals process, have proper documentation in their folders to show that an appeal had been made and granted by the University.

Project completion date: Process started Spring 1997 and in on-going.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Yvonne Shorts

Phone Number: (504) 286-5017

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at New Orleans

For the Year Ended June 30,1997

Finding Title: Satisfactory Academic Progress

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 217

Reference Number (from attached schedule of findings): 96-G-217-SUNO9

Program Name(s): Title IV Program

CFDA Number(s):

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

Satisfactory Academic Progress Questioned costs $6,486: The University has provided the auditing agency copies of the appeal approval letters for review as required. As noted in the schedule above, each student filed a written appeal with the Financial Aid Appeals Committee that was approved.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Thomas Hart

Phone Number: (504) 286-5017

SCHEDULE 6-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at New Orleans

For the Year Ended June 30,1997

Finding Title: Student Aid Reports Selected for Verification

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 218

Reference Number (from attached schedule of findings): 96-G-218-SUNO10

Program Name(s): Title IV Program

CFDA Number(s): 84.032, 84.033, 84.037, 84.038, 84.007, 84.063

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The University will adhere to established procedures and not process any SARs selected for verification that has inaccurate or incomplete information.

The Financial Aid Director and all financial aid counselors have been instructed to review with care, all student aid documents to ensure compliance with the established procedures. Also, Counselors are required to utilize the federal verification process.

All financial aid staff members have received additonal training in the verification process of Student Aid Reports. Counselors are required to utilized the federal verification work sheet provided by the Department of Education. Also, we have recently implemented the use of the verification working paper for purposes of comparing verification documentation for accuracy. These documents along with the federal tax return should ensure the receipt of adequate financial information to support Student Aid Reports.

A review process has been initiated to ensure that all items selected for verification for the 1996-97 academic year were completed accurately.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: [signature]

Phone Number: (504) 286-5017

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at New Orleans

For the Year Ended June 30,1997

Finding Title: Student Aid Reports Selected for verification

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 218

Reference Number (from attached schedule of findings): 96-G-218-SUNO10

Program Name(s): Title IV Program

CFDA Number(s):

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

In-Service training began December 1996 and is on-going.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature:

Phone Number: (504) 286-5017

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at New Orleans

For the Year Ended June 30,1997

Finding Title: Ineligible Program Costs

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 223

Reference Number (from attached schedule of findings): 96-G-223-SUNO11

Program Name(s): Upward Bound Program

CFDA Number(s): 84.047A

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The Upward Bound Program is reimbursed (this reimbursement is not parallel to staff period of employment in the program) annually for meals and foods service cordinators' salaries by the USDA Summer Food Service Program. As stiuplated in the DOE proposal, the Upward Bound Program covers all cost over USDA charges.

We have corrected the error to make certain that the summer food serviee coordinator's salary will be charged to USDA rather than to the DOE.

The corrective action has been made in the Comptroller's Office.

Questioned cost $1,500: The University will take steps to transfer the erroneous charge from the DOE Program, and follow the procedures noted above.

The project completion date: December 1996.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Ursula Liberty

Phone Number: (504) 286-5017

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at New Orleans

For the Year Ended June 30,1997

Finding Title: Federal Work-Study Program

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 223

Reference Number (from attached schedule of findings): 96-G-223-SUNO12

Program Name(s): Federal Work-Study Program

CFDA Number(s): 84.033

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The University will follow the required policies and procedures established to ensure the students not work when they are scheduled to be in class. All student employees and department supervisors have been informed that students are not allowed to be in class and in excess of their actual award.

Department supervisors and financial aid counselors have been instructed to pay special attention when processing student payroll documents. This is done to prevent over-awards and correct the conditions noted.

Student employees, department supervisors, as well as financial aid counselors are all held responsible for preventing students from working when they are scheduled to be in class. The same persons are responsible for notifying the Financial Aid Office when a work-study student's class schedule is modified for any reason.

Questioned costs $21: The University will process a refund to the Federal Program to correct this matter.

Project completion date: In-service training began during February 1997 and in on-going.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: [signature]

Phone Number: (504) 286-5017

SCHEDULE C-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at Shreveport-Bossier City

For the Year Ended June 30,1997

Finding Title: Inadequate Internal Controls Over Perkins Loans Notes Receivables

Schedule (from '95 Single Audit Report): E

Page Number (from '95 Single Audit Report): 87

Reference Number (from corrected schedule of findings): 96-E-87-sushl

Program Name(s): Perkins Loan

CFDA Number(s): 84.038

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The university will seek to identify the difference between the subsidiary ledger and the supporting loan documents. We expect this to be an arduous and time consuming process but in the interim, as a part of our regular reconciliation process, we will identify and resolve any further differences in Funds Advanced; Principal and Interest Collected; Loan Cancellations, etc. These amounts will be matched against the records maintained by our Loan Servicer, Edusery, and resolve in timely fashion. Each reconciliation will be documented and readily-available for review.

The university anticipates completion of the reconciliation process by December, 1997.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Benjamin Pugh

Phone Number: 318-674-3481

SCHEDULE 6-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at Shreveport-Bossier City

For the Year Ended June 30,1997

Finding Title: Federal Financial Reports-Fiscal Operations Reports and Application

Schedule (from '96 Single Audit Report): C

Page Number (from '96 Single Audit Report): 207

Reference Number (from corrected schedule of findings): 96-C-207-much2

Program Name(s): N/A

CFDA Number(s): N/A

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

A procedure has been established which calls for the Director of Accounting Services and the Vice-Chancellor for Fiscal Affairs and Administration to review data which is reported on the FISAP. This independent inspection should eliminate reporting errors such as this.

In our opinion, this finding has been resolved.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Benjamin Pugh

Phone Number: 318/674-3481

SCHEDULE G

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at Shreveport-Bossier City

For the Year Ended June 30,1997

Finding Title: Federal Family Education Loan Student Confirmation Reports

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 218

Reference Number (from attached schedule of findings): 96-G-218-sush3

Program Name(s): Federal Family Education

CFDA Number(s): 84.032

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

A draft of policies and procedures to improve notification to lenders of student enrollment status has been submitted for review by the Executive Council.

Recommendations have been submitted to the Chancellor for approval of the new policies and procedures.

Computer hardware and software have been obtained by the Registrar's Office, however, it is anticipated on-line access to Student Confirmation Reports will not be completed before November, 1997.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Benjamin Pugh

Phone Number (318) 674-3481

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at Shreveport-Bossier City

For the Year Ended June 30,1997

Finding Title: Federal Family Education Loans

Schedule (from '97 Single Audit Report): G

Page Number (from '96 Single Audit Report): 218

Reference Number (from corrected schedule of findings): 96-G-218-sushd

Program Name(s): Federal Family Education Loans

CFDA Number(s): 84.032

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The university will establish, utilize, and ensure that FFEL borrowers are provided with the exit interview materials upon graduating, withdrawing, or ceasing to re-enroll. The following steps have been implemented.

Notice of the date a student ceases to re-enroll will be forwarded from the Registrar's office on a monthly basis.

Within thirty (30) days of learning that a borrower has failed to re-enroll, written exit counseling material will be sent by certified mail to the borrower at his/her last known address. The exit counseling packet will also include a "Borrower's Information" form to be completed by the borrower and returned to the institution. A self-addressed envelope will also be a part of the package.

The certified mail receipt and the signed receipts will be documented and readily available for review.

In our opinion, this finding has been resolved.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Benjamin Pugh

Phone Number: (318) 674-3481

SCHEDULE E-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at Shreveport-Bossier City

For the Year Ended June 30,1997

Finding Title: Matching of Federal Capital Contribution-Perkins Loan Program

Schedule (from '95 Single Audit Report): G

Page Number (from '95 Single Audit Report): 219

Reference Number (from attached schedule of findings): 96-G-219-sush5

Program Name(s): Perkins Loan

CFDA Number(s): 84.038

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The university recognized the need for strict adherence to federal guidelines which stipulate that recipients of a federal capital contribution must provide a one-third (1/3) match in institutional funds regardless of intent to transfer. This situation will be closely monitored from this point on and we anticipate no problem in compliance.

In our opinion, this finding has been resolved.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Benjamin Pugh

Phone Number: (318) 674-3481

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at Shreveport-Bossier City

For the Year Ended June 30,1997

Finding Title: Notification of Lenders Between Submission of Student Confirmation Reports

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 219

Reference Number (from attached schedule of findings): 96-G-219-gush6

Program Name(s): N/A

CFDA Number(s): N/A

Status of Finding (include corrective action planned and estimated completion date, if applicable):

Procedures have been established to improve notification to lenders between submission of Student Confirmation Reports.

Currently notification is being done on a manual basis, but on-line access to Student Confirmation data should be completed by November, 1997.

In our opinion, this finding has been resolved.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Benjamin Pugh

Phone Number (318) 674-3481

SCHEDULE G-3

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at Shreveport-Bossier City

For the Year Ended June 30,1997

Finding Title: Pell Grant Calculations

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 220

Reference Number (from attached schedule of findings): 96-G-220-sush7

Program Name(s): PELL

CFDA Number(s): 84.063

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The university will establish procedures to ensure that PELL awards are properly calculated. The following steps have been used to correct this deficiency.

Each student's enrollment status will be verified by the Registrar's Office at the time the pell payment document (Student Aid Report) is presented for payment.

The auditor in charge has been contacted to clearly define and explain their process or formula for calculating PELL Grant Awards.

There will be a check and balance of awards with the Fiscal Affairs Department on this campus.

PELL awards will be calculated based on the student's current enrollment status, the university's cost of attendance and the PELL payment schedules published by the Department of Education. (continued)

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding) If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Benjamin Pugh

Phone Number (318) 674-3481

Personnel charged with the responsibility of calculating PELL Grant amounts have been required to attend training sessions to use the EDExpress Software from the Department of Education that has a component that will calculate and package student awards.

In our opinion, this finding has been resolved.

SCHEDULE G-3

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University or College/Commission/District

Southern University at Shreveport-Bossier City

For the Year Ended June 30,1997

Finding Title: Refunds and Repayments to the Title IV Programs

Schedule (from '96 Single Audit Report): G

Page Number (from '96 Single Audit Report): 220

Reference Number (from attached schedule of findings): 96-G-220-susb8

Program Name(s): PELL

CFDA Number(s): 84.063

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

The university will document procedures which will ensure that the regulations under the Title IV Programs regarding refunds and repayments for students who withdraw will be adhered to. The following steps have been initiated to correct this deficiency.

Personnel charged with responsibility for processing refunds and repayment have been required to attend Department of Education sessions which will detail the most recent developments in program requirements.

Notice of official withdrawal will be forwarded from the Registrar's office on a weekly or at least bi-weekly basis.

A form has been developed which will contain a checklist of required steps in processing refunds and repayments. This form will be processed for each withdrawal. It will, among other things, document the date of withdrawal; document that students received Title IV aid; establish eligibility for Title IV aid; and provide a step-by-step process for calculation and remittance on an accurate and timely basis.

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Benjamin Pugh

Phone Number (318) 674-3481

SCHEDULE 8-3
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Department/University of College/Commision/District

Louisiana Department of Transportation and Development

For the Year Ended June 30, 1997

Finding Title: Underbilling of Incidental Charges

Schedule (from '96 Single Audit Report): B

Page Number (from '96 Single Audit Report): 87

Reference Number (from attached schedule of findings): 96-B-87-dotdl

Program Name(s): Federal Highway Administration

CFDA Number(s): 20.205

Status of Finding (include corrective action planned and anticipated completion date, if applicable):

Corrective Action:

Procedures for processing the Daily Journal Construction Engineering, Design and Maintenance Additives have been revised, tested, reports ran dual for several months and procedure put into production for the month of May, 1997. Automated calculation of Construction Engineering, Design and Maintenance monthly cost totals and percentages. File copied to tape each month and kept in Data Processing for a period of 10 years.

Contact Persons:

Sal Faldetta, Financial Services Administrator - 379-1615

Linda Kimmell, Accountant Supervisor II - 379-1662

NOTE: Use this form to present the status of any findings that are listed for your agency on the attached schedule. You should only present 1 finding per page. If you have 2 findings to present, then you should use 2 forms (1 for each finding). If there are no federal findings to present in this schedule, write NONE above.

Preparer's Signature: Jo Ann Fredette

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