

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana State University
Health Sciences Center - Shreveport
Louisiana State University System
State of Louisiana
Shreveport, Louisiana

November 19, 2003



Financial and Compliance Audit Division

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Albert J. Robinson, Jr., CPA

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**LOUISIANA STATE UNIVERSITY
HEALTH SCIENCES CENTER - SHREVEPORT
LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Shreveport, Louisiana**

Management Letter
Dated November 7, 2003

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 office of the Legislative Auditor and at the office of the parish clerk of court.

November 19, 2003



OFFICE OF
LEGISLATIVE AUDITOR
STATE OF LOUISIANA
BATON ROUGE, LOUISIANA 70804-9397

1600 NORTH THIRD STREET
POST OFFICE BOX 94397
TELEPHONE: (225) 339-3800
FACSIMILE: (225) 339-3870

November 7, 2003

**LOUISIANA STATE UNIVERSITY
HEALTH SCIENCES CENTER - SHREVEPORT
LOUISIANA STATE UNIVERSITY SYSTEM
STATE OF LOUISIANA
Shreveport, Louisiana**

As part of our audit of the Louisiana State University System's financial statements for the year ended June 30, 2003, we considered Louisiana State University Health Sciences Center - Shreveport's internal control over financial reporting; we examined evidence supporting certain accounts and balances material to the System's financial statements; and we tested the health sciences center's compliance with laws and regulations that could have a direct and material effect on the System's financial statements as required by *Government Auditing Standards*. In addition, we considered Louisiana State University Health Sciences Center - Shreveport's internal control over compliance with requirements that could have a direct and material effect on a major federal program, as defined in the Single Audit of the State of Louisiana, and we tested the health sciences center's compliance with laws and regulations that could have a direct and material effect on the major federal programs as required by the U.S. Office of Management and Budget Circular A-133.

The financial statements of Louisiana State University Health Sciences Center - Shreveport were not audited or reviewed by us, and, accordingly, we do not express an opinion on that report. The health sciences center's accounts are an integral part of the Louisiana State University System's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.

In our prior management letter on Louisiana State University Health Sciences Center - Shreveport campus for the year ended June 30, 2002, we reported a finding relating to control weaknesses in accounting for capital assets. This finding has been resolved.

Based on the application of the procedures referred to previously, all significant findings are included in this letter for management consideration. All findings included in this management letter that are required to be reported by *Government Auditing Standards* will also be included in the State of Louisiana's Single Audit Report for the year ended June 30, 2003.

**Failure to Submit a Document Retention
Schedule to State Archives**

Louisiana State University Health Sciences Center in Shreveport (LSUHSC-S) failed to submit a document retention schedule to State Archives as required by state law. Louisiana Revised Statute 44:411(A)(1) requires the head of every agency to submit to the state archivist record retention schedules proposing the length of time each state

LEGISLATIVE AUDITOR

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Management Letter, Dated November 7, 2003

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record series warrants retention for administrative, legal, or fiscal purposes after it has been created or received by the agency.

Management was not aware of the requirement to submit the required documentation to State Archives. Failure to submit and receive an approved retention schedule increases the risk of the untimely destruction of vital information that could be needed in the future or the health sciences center incurring excessive storage cost for documents that will never be needed.

LSUHSC-S should obtain the necessary information to prepare and submit a suitable retention schedule to State Archives as soon as possible. Once the retention schedule is approved, it should be implemented immediately. Management did not concur with the finding (see Appendix A).

The recommendations in this letter represent, in our judgment, those most likely to bring about beneficial improvements to the operations of the health sciences center. The varying nature of the recommendations, their implementation costs, and their potential impact on the operations of the health sciences center should be considered in reaching decisions on courses of action. The finding relating to the health sciences center's compliance with applicable laws and regulations should be addressed immediately by management.

This letter is intended for the information and use of the health sciences center and its management and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this letter is a public document and it has been distributed to appropriate public officials.

Respectfully submitted,



Grover C. Austin, CPA
First Assistant Legislative Auditor

RLA:WJR:AJR:dl

[LSUHSCS03]

Appendix A

Management's Corrective Action Plan and Response to the Finding and Recommendation

**LOUISIANA STATE UNIVERSITY
MEDICAL CENTER**

1501 Kings Highway
Post Office Box 33932
Shreveport, LA 71130-3932
Telephone: (318) 675-7655
FAX: (318) 675-7675



LSUMC

Administration and Finance

October 31, 2003

Mr. Grover C. Austin
First Assistant Legislative Auditor
Office of Legislative Auditor
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

Dear Mr. Austin:

We have reviewed the finding regarding "Failure to Submit a Document Retention Schedule to the State Archives". We do not concur with this finding and recommendation for the following reasons:

1. LSUHSC-S has followed the State of Louisiana Document Retention Schedule since May 24, 1995 (copy of policy attached). It does not appear to be reasonable for a finding to be issued, at this point in time, due to a technicality based on our not notifying the State Archives that we were following the State's Document Retention Schedule.
2. The Legislative Auditors have audited this Institution for the past nine (9) years and have not raised this as an issue until this audit. This would indicate that the Legislative Auditors were no more aware of the requirement of the law then we were.
3. When the Auditors brought to our attention the need to notify State Archives that we were following the State Document Retention Schedule, we submitted our policy to the LSU System Office because they wanted to coordinate this effort for the entire System for submittal to the State Archives. We provided a copy of that transmittal to the Auditors. I realize that this did occur after June 30, 2003 but since the Auditors were not aware of it until that point in time, it would appear that the finding is not valid and is simply a technicality.
4. I have already indicated that we were not aware of the requirement to notify the State Archives that we were following the State of Louisiana Retention Schedule. As the retention regulations were being followed, it is inappropriate to make a statement that

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our failure to notify them would increase the risk of the untimely destruction of vital information that could be needed in the future or the Center incurring storage costs for documents that will never be needed.

Please let me know if you have any questions.

Sincerely,



Harold White
Vice Chancellor
for Administration and Finance

HW:aa

Enclosure