

STATE OF LOUISIANA LEGISLATIVE AUDITOR

University of Louisiana at Lafayette
University of Louisiana System
State of Louisiana
Lafayette, Louisiana

December 3, 2003



Financial and Compliance Audit Division

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UNIVERSITY OF LOUISIANA AT LAFAYETTE
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Lafayette, 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.

December 3, 2003



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November 7, 2003

UNIVERSITY OF LOUISIANA AT LAFAYETTE
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA
Lafayette, Louisiana

As part of our audit of the University of Louisiana System's financial statements for the year ending June 30, 2003, we considered the University of Louisiana at Lafayette'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 university'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 the University of Louisiana at Lafayette'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 university's compliance with laws and regulations that could have a direct and material effect on the major federal programs as required by U.S. Office of Management and Budget Circular A-133.

The annual financial information provided to the University of Louisiana System by the University of Louisiana at Lafayette is not audited or reviewed by us, and, accordingly, we do not express an opinion on that financial information. The university's accounts are an integral part of the University of Louisiana System's financial statements, upon which the Louisiana Legislative Auditor expresses an opinion.

In our prior management letter on the University of Louisiana at Lafayette for the year ended June 30, 2002, we reported a finding relating to inaccurate federal reporting. That finding has been resolved by management.

Based on the application of the procedures referred to previously, all significant findings are included in this letter for management's 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

The University of Louisiana at Lafayette (UL-Lafayette) did not submit a written record retention schedule to the Secretary of State in accordance with state law. Louisiana Revised Statute 44:411 (A)(1) requires agency heads to submit schedules to the state archivist that state the length of time each state record or series of records should be retained for administrative, legal, or fiscal purposes after the records have been created or received by the agency. These conditions exist because UL-Lafayette management was not aware of the requirement.

LEGISLATIVE AUDITOR

UNIVERSITY OF LOUISIANA AT LAFAYETTE
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA

Management Letter, Dated November 7, 2003
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Failure to establish a written record retention schedule could result in the destruction or deterioration of critical records while failure to submit the schedule to the Secretary of State results in noncompliance with state law. In addition, the lack of a written retention schedule could result in UL-Lafayette keeping records beyond the legally required retention date, which would be an inefficient use of office or warehouse space.

Management should submit a written record retention schedule to the Secretary of State for approval as required by state law. Once the retention schedule is approved, it should be implemented immediately. Management concurred with the finding and recommendation and outlined a corrective action plan (see Appendix A).

The recommendation in this letter represents, in our judgment, that most likely to bring about beneficial improvements to the operations of the university. The nature of the recommendation, its implementation cost, and its potential impact on the operations of the university should be considered in reaching decisions on courses of action. This finding, which relates to the university's compliance with applicable laws and regulations, should be addressed immediately by management.

This letter is intended for the information and use of the university 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

DLC:EFS:PEP:dI

[ULL03]

Appendix A

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



University of Louisiana at Lafayette

Office of the President

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October 30, 2003

Université des Acadiens

Mr. Grover C. Austin, CPA
First Assistant Legislative Auditor
Office of the Legislative Auditor
State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Austin:

The following is the University's response to the audit finding concerning record retention:

Finding: Failure to Submit Record Retention Schedule
University of Louisiana at Lafayette (UL Lafayette) did not submit a written record retention schedule to the Secretary of State in accordance with state law.

University Response: The University concurs with the finding. The University was unaware of the requirements that pertain to records retention. University records have been maintained for the minimal time period as required by State statute and/or Federal statute, if applicable. The University Council, at its meeting of October 20, 2003, addressed this issue. Each Vice President was directed to formulate a records retention schedule for their respective areas. Once these schedules are received and reviewed by the University Council, a University record retention schedule will be filed with the Secretary of State in accordance with state law.

Should you need additional information, please advise.

Sincerely,

A handwritten signature in black ink, appearing to read "Ray Authement".

Ray Authement
President

jl