

DEPARTMENT OF VETERANS AFFAIRS  
STATE OF LOUISIANA



FINANCIAL AUDIT SERVICES  
MANAGEMENT LETTER  
ISSUED NOVEMBER 12, 2014

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LOUISIANA LEGISLATIVE AUDITOR  
DARYL G. PURPERA, CPA, CFE

November 12, 2014

The Honorable John A. Alario, Jr.,  
President of the Senate  
The Honorable Charles E. "Chuck" Kleckley,  
Speaker of the House of Representatives  
Mr. David LaCerte, Secretary  
Louisiana Department of Veterans Affairs

Dear Senator Alario, Representative Kleckley, and Mr. LaCerte:

This report includes the results of the procedures we performed at the Louisiana Department of Veterans Affairs (LDVA) for the period from July 1, 2013 to June 30, 2014 to evaluate its compliance with the requirements of the federal Veterans State Nursing Home Care program and its accountability over public funds related to the program. The procedures are a part of our Single Audit of the State of Louisiana for the year ended June 30, 2014. I hope the information in this report will assist you in your legislative and operational decision-making processes.

We would like to express our appreciation to the management and staff of the Department for their assistance during our work.

Sincerely,

Daryl G. Purpera, CPA, CFE  
Legislative Auditor

KJ:AD:BDC:THC:aa

LDVA 2014



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# Louisiana Legislative Auditor

Daryl G. Purpera, CPA, CFE



## Louisiana Department of Veterans Affairs

November 2014

*Audit Control # 80140071*

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### Introduction

As a part of our Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2014, we performed procedures at the Louisiana Department of Veterans Affairs (LDVA) to evaluate the effectiveness of the LDVA's internal controls over reporting and compliance with the requirements of the Veterans State Nursing Home Care program.

LDVA is a component of the state of Louisiana created within the executive branch of state government. LDVA's mission is to provide comprehensive care and quality service to Louisiana's veterans and their families with regard to health care, education, disability benefits, long term care, and burial honors. LDVA operates five Veterans Homes across the state, as well as three cemeteries.

### Results of Our Procedures

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#### Federal Compliance - Single Audit of the State of Louisiana

As a part of the Single Audit for the year ended June 30, 2014, we performed internal control and compliance testing on the Department's Veterans State Nursing Home Care federal program and procedures on the Schedule of Expenditures of Federal Awards, as required by the Office of Management and Budget Circular A-133. Those tests included evaluating the effectiveness of LDVA's internal controls designed to prevent or detect material noncompliance with program requirements and determining whether the LDVA complied with applicable program requirements.

Based on the results of these Single Audit procedures, we did not report any internal control deficiencies or non-compliance with program requirements.

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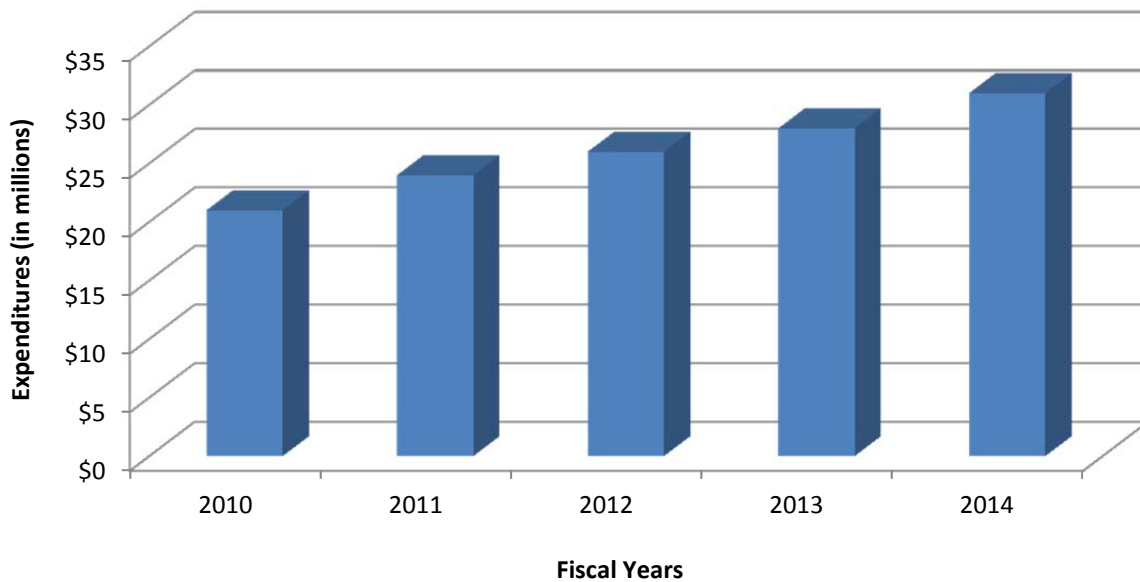
#### Trend Analysis

We compared the most current- and prior-year financial activity using the LDVA's annual fiscal reports, prior-year Single Audit reports, and federal rate information, to identify trends and obtained explanations from the LDVA's management for any significant variances. We also

prepared an analysis of federal expenditures for the Veterans State Nursing Home Care program over the last five years.

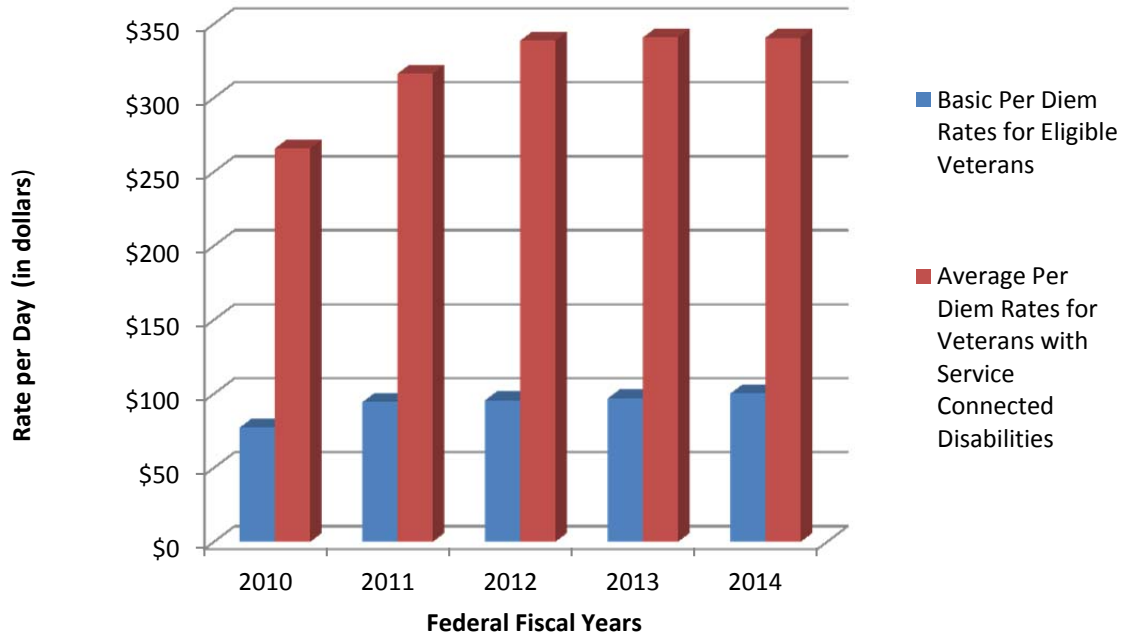
In analyzing the trends of the Veterans State Nursing Home Care federal program over the past five years, federal expenditures have steadily increased. Since 2010, federal expenditures have increased 48%, mainly because of a \$23 (29%) increase in the basic per diem rates and a \$75 (28%) increase in the average service connected disability per diem rates that are set by the U.S. Department of Veterans Affairs.

**Exhibit 1**  
**Veterans State Nursing Home Care Federal Program**



**Sources:** Fiscal Years 2010 - 2013 Single Audit Reports - Schedule of Expenditures of Federal Awards (SEFA) and 2014 Audited SEFA

### Exhibit 2 Per Diem Rates



Source: <http://www.nonvacare.va.gov/state-homes-payment-rate.asp>

Under Louisiana Revised Statute 24:513, this letter is a public document, and it has been distributed to appropriate public officials.





## APPENDIX A: SCOPE AND METHODOLOGY

We performed certain procedures at the Louisiana Department of Veterans Affairs (LDVA) for the period from July 1, 2013 through June 30, 2014 to provide assurances on information significant to the Veterans State Nursing Home Care program and to evaluate relevant systems of internal control in accordance with *Government Auditing Standards*. The procedures included inquiry, observation, review of policies and procedures, and review of relevant laws and regulations. Our procedures, summarized below, are a part of the Single Audit of the State of Louisiana (Single Audit) for the year ended June 30, 2014.

- We performed planned procedures on the Veterans State Nursing Home Care federal program and on the Schedule of Expenditures of Federal Awards for the year ended June 30, 2014, to support the 2014 Single Audit.
- We compared current- and prior-year financial activity using the LDVA's annual fiscal reports, prior-year Single Audit reports, and federal rate information to identify trends and obtained explanations from the LDVA's management for significant variances.

The purpose of this report is solely to describe the scope of our work at the LDVA and not to provide an opinion on the effectiveness of the LDVA's internal control over compliance. Accordingly, this report is not intended to be, and should not be, used for any other purposes.

We did not audit or review the LDVA's Annual Fiscal Report and, accordingly, we do not express an opinion on that report. The LDVA's accounts are an integral part of the state of Louisiana's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.