

MCNEESE STATE UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA



MANAGEMENT LETTER
ISSUED FEBRUARY 2, 2011

**LEGISLATIVE AUDITOR
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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.

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Six copies of this public document were produced at an approximate cost of \$16.32. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. This report is available on the Legislative Auditor's Web site at www.la.la.gov. When contacting the office, you may refer to Agency ID No. 3481 or Report ID No. 80100036 for additional information.

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Our procedures at McNeese State University (university) for the period July 1, 2008, through June 30, 2010, disclosed the following:

- The finding identified in our prior management letter on the university, dated February 11, 2009, relating to weaknesses in departmental revenues collection controls has been resolved by management.
- No significant control deficiencies or errors that would require adjustments to the annual fiscal report relating to cash and cash equivalents, investments, accounts and notes receivable, capital assets, bonds payable, net assets, revenues, capital appropriations, scholarship allowances, educational and general expenses, and auxiliary expenses were identified.
- No significant control deficiencies or noncompliance that would require reporting under Office of Management and Budget (OMB) Circular A-133 were identified for the Student Financial Aid Cluster for the fiscal year ended June 30, 2010.

We did not audit the Annual Fiscal Reports of the university. However, we did perform certain procedures in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States as part of our fiscal year 2010 audit of the University of Louisiana System's financial statements and certain procedures related to compliance with federal laws and regulations in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133. This report is a public report and has been distributed to state officials. We appreciate the university's assistance in the successful completion of our work.

Mission and Core Values

The university was established in 1939 and is one of eight Louisiana universities managed under the University of Louisiana System. The university is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools to award associate, baccalaureate, master, doctoral degrees, and specialist degrees. The university's stated mission is to provide education, research, and service that support core values of academic excellence, student success, fiscal responsibility, and university-community alliances. The fundamental educational mission is to offer associate, baccalaureate, and specific graduate curricula distinguished by academic excellence. The university engages in collaborative ventures to benefit industry and to enhance economic development and cultural growth in its region and beyond.

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

January 11, 2011

**MCNEESE STATE UNIVERSITY
UNIVERSITY OF LOUISIANA SYSTEM
STATE OF LOUISIANA**
Lake Charles, Louisiana

As required by Louisiana Revised Statute 24:513 and as part of our audit of the University of Louisiana System's (System) financial statements for the year ended June 30, 2010, we conducted certain procedures at McNeese State University (university) for the period from July 1, 2008, through June 30, 2010.

- Our auditors obtained and documented an understanding of the university's operations and system of internal controls through inquiry, observation, and review of the university's policies and procedures documentation including a review of the laws and regulations related to the university.
- Our auditors performed analytical procedures consisting of a comparison of the most current and prior year financial activity using the university's annual fiscal reports and/or system-generated reports and obtained explanations from university management for any significant variances.
- Our auditors reviewed the status of the finding identified in the prior engagement. In our prior management letter on the university, dated February 11, 2009, we reported a finding relating to weaknesses in departmental revenues collection controls, which has been resolved by management.
- Our auditors considered internal control over financial reporting and examined evidence supporting the university account balances and classes of transactions material to the System's financial statements as follows:
 - **Statement of Net Assets** - cash and cash equivalents, investments, accounts and notes receivable, capital assets, bonds payable, and net assets
 - **Statement of Revenues, Expenses, and Changes in Net Assets** - student tuition and fee revenues, grant and contract revenues, auxiliary revenues, other operating revenues, state appropriations, federal nonoperating

revenues, capital appropriations, scholarship allowances, education and general expenses, and auxiliary expenses

We also tested the university's compliance with laws and regulations that could have a direct and material effect on the System's financial statements. These procedures were performed in accordance with *Government Auditing Standards* as part of our audit of the System's financial statements for the fiscal year ended June 30, 2010.

- Our auditors performed internal control and compliance testing with requirements that could have a direct material effect on a major program in accordance with OMB Circular A-133. Procedures were performed on the Student Financial Aid Cluster for the fiscal year ended June 30, 2010, as a part of the Single Audit of the State of Louisiana.

The Annual Fiscal Reports of the university are not audited or reviewed by us, and, accordingly, we do not express an opinion on those reports. The university's accounts are an integral part of the System's financial statements, upon which the Louisiana Legislative Auditor expresses opinions.

Based on the application of the procedures referred to previously, we have reported no significant findings. We found no significant control deficiencies, noncompliance, or errors relating to our procedures that should be communicated to management.

This letter is intended for the information and use of the university and its management, others within the university, the System, and the Louisiana Legislature 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,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

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MSU 2010